

Public Document Pack

Cabinet

Tuesday, 21st April, 2015
at 4.30 pm

PLEASE NOTE TIME OF MEETING

Council Chamber - Civic Centre

This meeting is open to the public

Members

Councillor Simon Letts, Leader of the Council

Councillor Stephen Barnes-Andrews, Cabinet Member for Resources and Leisure

Councillor Daniel Jeffery, Cabinet Member for Education and Change

Councillor Mark Chaloner, Cabinet Member for Children's Safeguarding

Councillor Satvir Kaur, Cabinet Member for Communities

Councillor Jacqui Rayment, Cabinet Member for Environment and Transport

Councillor Dave Shields, Cabinet Member for Health and Adult Social Care

Councillor Warwick Payne, Cabinet Member for Housing and Sustainability

(QUORUM – 3)

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BACKGROUND AND RELEVANT INFORMATION

The Role of the Executive

The Cabinet and individual Cabinet Members make executive decisions relating to services provided by the Council, except for those matters which are reserved for decision by the full Council and planning and licensing matters which are dealt with by specialist regulatory panels.

The Forward Plan

The Forward Plan is published on a monthly basis and provides details of all the key executive decisions to be made in the four month period following its publication. The Forward Plan is available on request or on the Southampton City Council website, www.southampton.gov.uk

Implementation of Decisions

Any Executive Decision may be “called-in” as part of the Council’s Overview and Scrutiny function for review and scrutiny. The relevant Overview and Scrutiny Panel may ask the Executive to reconsider a decision, but does not have the power to change the decision themselves.

Mobile Telephones – Please switch your mobile telephones to silent whilst in the meeting.

Use of Social Media

The Council supports the video or audio recording of meetings open to the public, for either live or subsequent broadcast. However, if, in the Chair’s opinion, a person filming or recording a meeting or taking photographs is interrupting proceedings or causing a disturbance, under the Council’s Standing Orders the person can be ordered to stop their activity, or to leave the meeting

Southampton City Council’s Priorities:

- Jobs for local people
- Prevention and early intervention
- Protecting vulnerable people
- Affordable housing
- Services for all
- City pride
- A sustainable Council

Executive Functions

The specific functions for which the Cabinet and individual Cabinet Members are responsible are contained in Part 3 of the Council’s Constitution. Copies of the Constitution are available on request or from the City Council website, www.southampton.gov.uk

Key Decisions

A Key Decision is an Executive Decision that is likely to have a significant:

- financial impact (£500,000 or more)
- impact on two or more wards
- impact on an identifiable community

Procedure / Public Representations

At the discretion of the Chair, members of the public may address the meeting on any report included on the agenda in which they have a relevant interest. Any member of the public wishing to address the meeting should advise the Democratic Support Officer (DSO) whose contact details are on the front sheet of the agenda.

Fire Procedure – In the event of a fire or other emergency, a continuous alarm will sound and you will be advised, by officers of the Council, of what action to take.

Smoking policy – The Council operates a no-smoking policy in all civic buildings.

Access – Access is available for disabled people. Please contact the Cabinet Administrator who will help to make any necessary arrangements.

Municipal Year Dates (Tuesdays)

2014	2015
17 June	20 January
15 July	10 February*
19 August	17 February
16 September	17 March
21 October	21 April
18 November	
16 December	(* Budget)

CONDUCT OF MEETING

TERMS OF REFERENCE

The terms of reference of the Cabinet, and its Executive Members, are set out in Part 3 of the Council's Constitution.

RULES OF PROCEDURE

The meeting is governed by the Executive Procedure Rules as set out in Part 4 of the Council's Constitution.

DISCLOSURE OF INTERESTS

Members are required to disclose, in accordance with the Members' Code of Conduct, **both** the existence **and** nature of any "Disclosable Pecuniary Interest" or "Other Interest" they may have in relation to matters for consideration on this Agenda.

DISCLOSABLE PECUNIARY INTERESTS

A Member must regard himself or herself as having a Disclosable Pecuniary Interest in any matter that they or their spouse, partner, a person they are living with as husband or wife, or a person with whom they are living as if they were a civil partner in relation to:

(i) Any employment, office, trade, profession or vocation carried on for profit or gain.

(ii) Sponsorship:

Any payment or provision of any other financial benefit (other than from Southampton City Council) made or provided within the relevant period in respect of any expense incurred by you in carrying out duties as a member, or towards your election expenses. This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.

(iii) Any contract which is made between you / your spouse etc (or a body in which the you / your spouse etc has a beneficial interest) and Southampton City Council under which goods or services are to be provided or works are to be executed, and which has not been fully discharged.

(iv) Any beneficial interest in land which is within the area of Southampton.

(v) Any license (held alone or jointly with others) to occupy land in the area of Southampton for a month or longer.

(vi) Any tenancy where (to your knowledge) the landlord is Southampton City Council and the tenant is a body in which you / your spouse etc has a beneficial interests.

(vii) Any beneficial interest in securities of a body where that body (to your knowledge) has a place of business or land in the area of Southampton, and either:

a) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body, or

b) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which you / your spouse etc has a beneficial interest that exceeds one hundredth of the total issued share capital of that class.

Other Interests

A Member must regard himself or herself as having an, 'Other Interest' in any membership of, or occupation of a position of general control or management in:

Any body to which they have been appointed or nominated by Southampton City Council

Any public authority or body exercising functions of a public nature

Any body directed to charitable purposes

Any body whose principal purpose includes the influence of public opinion or policy

Principles of Decision Making

All decisions of the Council will be made in accordance with the following principles:-

- proportionality (i.e. the action must be proportionate to the desired outcome);
- due consultation and the taking of professional advice from officers;
- respect for human rights;
- a presumption in favour of openness, accountability and transparency;
- setting out what options have been considered;
- setting out reasons for the decision; and

BUSINESS TO BE DISCUSSED

Only those items listed on the attached agenda may be considered at this meeting.

QUORUM

The minimum number of appointed Members required to be in attendance to hold the meeting is 3.

- clarity of aims and desired outcomes.

In exercising discretion, the decision maker must:

- understand the law that regulates the decision making power and gives effect to it. The decision-maker must direct itself properly in law;
- take into account all relevant matters (those matters which the law requires the authority as a matter of legal obligation to take into account);
- leave out of account irrelevant considerations;
- act for a proper purpose, exercising its powers for the public good;
- not reach a decision which no authority acting reasonably could reach, (also known as the “rationality” or “taking leave of your senses” principle);
- comply with the rule that local government finance is to be conducted on an annual basis. Save to the extent authorised by Parliament, ‘live now, pay later’ and forward funding are unlawful; and
- act with procedural propriety in accordance with the rules of fairness.

AGENDA

1 APOLOGIES

To receive any apologies.

2 DISCLOSURE OF PERSONAL AND PECUNIARY INTERESTS

In accordance with the Localism Act 2011, and the Council's Code of Conduct, Members to disclose any personal or pecuniary interests in any matter included on the agenda for this meeting.

NOTE: Members are reminded that, where applicable, they must complete the appropriate form recording details of any such interests and hand it to the Democratic Support Officer.

EXECUTIVE BUSINESS

3 STATEMENT FROM THE LEADER

4 RECORD OF THE PREVIOUS DECISION MAKING (Pages 1 - 4)

Record of the decision making held on 17th March, 2015, attached.

5 MATTERS REFERRED BY THE COUNCIL OR BY THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE FOR RECONSIDERATION (IF ANY)

There are no matters for reconsideration.

6 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (IF ANY) (Pages 5 - 66)

Report of the Chair of Scrutiny Panel, detailing the inquiry into Air Quality, attached.

7 EXECUTIVE APPOINTMENTS

To deal with any executive appointments, as required.

8 QUESTIONS FROM MEMBERS TO CABINET MEMBERS

To consider any questions to the Executive from Members of the Council submitted on notice.

ITEMS FOR DECISION BY CABINET

9 COMMUNITY ASSET TRANSFER STRATEGY: PROGRESS AND REVIEW (Pages 67 - 94)

Report of the Cabinet Member for Communities outlining progress on implementing the Community Asset Transfer Strategy and seeking approval for proposed changes to the Strategy, attached.

10 CITY DEPOT HOUSEHOLD WASTE RECYCLING CENTRE (HWRC) NEW OPERATING CONTRACT (Pages 95 - 106)

Report of the Cabinet Member for Environment and Transport seeking approval to delegate authority to relevant officers to enable the operation of the City Depot HWRC to form part of the new Hampshire wide HWRC operating contract from 1 April 2016, attached.

11 HRA SCHEME APPROVAL 2015/16 TO 2019/2020 (Pages 107 - 120)

Report of the Cabinet Member for Housing and Sustainability seeking approval of expenditure for Housing Revenue Account funded projects, attached.

12 MAYFLOWER PARK - SPITFIRE MEMORIAL DISPOSAL OF PUBLIC OPEN SPACE (Pages 121 - 134)

Report of the Leader of the Council detailing plans for the new Spitfire Memorial within Mayflower Park, attached.

13 AUTHORITY TO SET UP A WHOLLY OWNED DEVELOPMENT COMPANY TO DELIVER CITY WIDE DEVELOPMENT (Pages 135 - 140)

Report of the Cabinet Member for Housing and Sustainability seeking authority to undertake the required work to set up a wholly owned Development Company to deliver City wide development, attached.

14 ENERGY PROCUREMENT CONTRACT RENEWAL (Pages 141 - 146)

Report of the Cabinet Member for Resources and Leisure seeking to renew the energy procurement (gas and electricity) contract from 2016-2020 with Kent LASER Central Purchasing Body, attached.

Monday, 13 April 2015

Head of Legal and Democratic Services

Agenda Item 4

SOUTHAMPTON CITY COUNCIL EXECUTIVE DECISION MAKING

RECORD OF THE DECISION MAKING HELD ON 17 MARCH 2015

Present:

Councillor Letts	Leader of the Council
Councillor Jeffery	Cabinet Member for Education and Change
Councillor Kaur	Cabinet Member for Communities
Councillor Rayment	Cabinet Member for Environment and Transport
Councillor Shields	Cabinet Member for Health and Adult Social Care
Councillor Payne	Cabinet Member for Housing and Sustainability

Apologies: Councillors Barnes-Andrews and Chaloner

66. EXECUTIVE APPOINTMENTS

Cabinet approved the appointment of Councillor Chamberlain as the Council's Governor representative to King Edward VI School.

67. INCREASE IN PUPIL NUMBERS AT SPRINGWELL SPECIAL SCHOOL

DECISION MADE: (Ref: CAB 14/15 14381)

On consideration of the report of the Cabinet Member for Education and Change, Cabinet agreed the following:

- (i) To note the outcome of statutory consultation as set out in this report;
- (ii) To authorise the increase in pupil numbers on-roll at Springwell (Community Special) School to 128 from 1st September 2015;
- (iii) To add, in accordance with Financial Procedure Rules, a sum of £1,400,000 to the Children's Services Capital programme for the Springwell School Expansion Project funded from the DfE Basic Need Grant;
- (iv) To delegate authority to the Director, People, following consultation with the Cabinet Member for Education and Change, to do anything necessary to give effect to the recommendations in this report.

68. ADMISSION ARRANGEMENTS FOR INFANT, JUNIOR, PRIMARY AND SECONDARY COMMUNITY AND VOLUNTARY CONTROLLED SCHOOL 2016/17

DECISION MADE: (Ref: CAB 14/15 14442)

On consideration of the report of the Cabinet Member for Education and Change, Cabinet agreed the following:

- (i) To approve the Admissions Policies and the Published Admissions Numbers (PANs) for Community and Voluntary Controlled Schools; the schemes for coordinating Primary and Secondary admissions for the school year 2016/17 as set out in the appendices 1 to 5.

- (ii) To authorise the Director, People to take any action necessary to give effect to the admissions policy and to make any changes necessary to the admissions policies where required to give effect to any Acts, Regulations or revised Schools Admissions or School Admissions Appeals Codes or binding Schools Adjudicator, Court or Ombudsman decisions whenever they arise.

69. ENVIRONMENT AND TRANSPORT CAPITAL PROGRAMME 2015/16 - APPROVAL TO SPEND

DECISION MADE: (Ref: CAB 14/15 13982)

On consideration of the report of the Cabinet Member for Environment and Transport, Cabinet agreed the following:

- (i) To approve capital variations to the Environment and Transport Capital Programme, totalling £1,140,000 in 2015/16, as detailed in Appendix 4.
- (ii) To approve, in accordance with Financial Procedure Rules, capital expenditure of £9,740,000 in 2015/16, as detailed in Appendix 2, from the total Environment and Transport Capital Programme of £16,074,000.
- (iii) To note the detail of the projects within the Environment and Capital Programme for 2015/16 to be approved by this report, as set out in Appendix 3.
- (iv) To note the intervention levels for highways maintenance defects in Appendix 5 and agree that these should be retained.
- (v) To note the indicative unclassified roads programme of works for 2016/17 and 2017/18, subject to Council funding decisions as part of the annual budget process for these years.

70. LOCAL SAFEGUARDING ADULTS BOARD - GOVERNANCE ARRANGEMENTS

DECISION MADE: (Ref: CAB 14/15 14143)

On consideration of the report of the Cabinet Member for Health and Adult Social Care, Cabinet agreed the following:

- (i) To adopt the proposed Constitution of the Southampton Local Safeguarding Adult Board, attached at Appendix 1 of the report;
- (ii) To delegate authority to the Head of Legal and Democratic Services following consultation with the Local Safeguarding Adults Board, the Chief Executive and Cabinet Member for Health and Adult Social Care to make any minor amendments to the Constitution as and when necessary;
- (iii) To delegate authority to the Chief Executive following consultation with the Local Safeguarding Adults Board and Cabinet Member for Health and Adult Social Care to formally appoint an Independent Chair to the Board on an annual basis;
- (iv) To approve entering into a formal Pooled Fund Arrangement attached as a Members' Room Document to the report with Partners to support the functions of the Board as laid out in Section 43 of the Care Act 2014, noting that the Pooled Fund will total £104,000 of which the Local Authority's contribution will be £64,500; and
- (v) To delegate authority to the Director, People, following consultation with the lead Cabinet Member for Health and Adult Social Care and the Head of Legal and Democratic Services, to (a) agree the terms and conditions of the pooled

fund agreement and (b) to carry out any ancillary actions needed to give effect to this recommendation.

71. CORE STRATEGY PARTIAL REVIEW: ADOPTION
DECISION MADE: (Ref: CAB 14/15 14239)

On consideration of the report of the Leader of the Council, Cabinet agreed to recommend to Council that the Core Strategy Partial Review be adopted. (Document 1 in the Members' Room).

72. CITY CENTRE ACTION PLAN: ADOPTION
DECISION MADE: (Ref: CAB 14/15 14252)

On consideration of the report of the Leader of the Council, Cabinet agreed the following:

- (vi) To recommend to Council that the City Centre Action Plan (Document 1 in the Members' room) is adopted.
- (vii) To recommend that Council endorse the list of Local Plan Review policies that will be replaced by the City Centre Action Plan (set out in Members' Room Document 1 Appendix 4).

73. GRANTS TO VOLUNTARY ORGANISATIONS 2015 TO 2019
DECISION MADE: (Ref: CAB 14/15 14013)

On consideration of the report of the Cabinet Member for Resources and Leisure, Cabinet agreed the following:

- (i) To agree another three year funding cycle using the outcomes based commissioning approach, from April 2016 to March 2019, with a budget of £1,543,980 per year, subject to budget setting each year.
- (ii) To formally give notice to existing three year outcomes-based commissioned grant recipients in April 2015 that their existing funding arrangement will end on 31 March 2016 and any future funding applications will be considered without reference to previous grant allocation.
- (iii) To agree that funding for domestic abuse and sexual violence services from the corporate grants budget between April 2016 and March 2019 will be allocated by the Council's Integrated Commissioning Unit to commission services within the PIPPA (Prevention, Intervention, Public Protection and Alliance) service model from voluntary organisations.
- (iv) To end Southampton Nuffield Theatre Trust's current three year funding arrangement one year early, on 31 March 2015, and enter into a new four year funding arrangement with the Nuffield from 01 April 2015 to 31 March 2019, covering both their current activities and the new Arts Complex activities.
- (v) To delegate authority to the Assistant Chief Executive following consultation with the Cabinet Member for Resources and Leisure to agree the outcomes grants between April 2016 and March 2019 will be awarded against and to do anything necessary to give effect to the recommendations contained in this report.

74. *WEST QUAY 3 SITE B - APPROVAL OF DISPOSAL

DECISION MADE: (Ref: CAB 14/15 14377)

On consideration of the report of the Leader of the Council, Cabinet agreed to delegate authority to the Head of Development, Economy and Housing to approve the detailed terms and conditions necessary to conclude the legal documentation to facilitate the disposal of the site as detailed in this report and undertake all ancillary acts to give effect to this resolution.

75. *CONTRACT DISPUTE

DECISION MADE: (Ref: CAB 14/15 14446)

On consideration of the report of the Cabinet Member for Education and Change, Cabinet agreed the recommendations set out in the confidential report.

Agenda Item 6

DECISION-MAKER:	CABINET		
SUBJECT:	SCRUTINY PANEL – AIR QUALITY INQUIRY FINAL REPORT		
DATE OF DECISION:	21 APRIL 2015		
REPORT OF:	CHAIR OF SCRUTINY PANEL		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Louise Fagan	Tel: 023 8083 2644
	E-mail:	Louise.fagan@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

From July 2014 to March 2015 the Scrutiny Panel undertook an inquiry to develop understanding of the issues of air quality Southampton. The Scrutiny Inquiry report contains a number of recommendations which have been highlighted in Appendix 2. Subject to the final report, attached as Appendix 1, being agreed at the meeting of the Overview and Scrutiny Management Committee (OSMC) on 16th April 2015, the Cabinet needs to formally respond to these recommendations within two months to meet the requirements in the Council's constitution.

RECOMMENDATION:

- (i) Subject to the report attached as Appendix 1 being agreed at the meeting of the OSMC on 16th April 2015, Cabinet is recommended to receive the attached Scrutiny Panel report to enable the Executive to formulate its response to the recommendations contained within it, in order to comply with the requirements set out in the Council's Constitution.

REASON FOR REPORT RECOMMENDATIONS

1. The overview and scrutiny procedure rules in part 4 of the Council's Constitution requires the Executive to consider all inquiry reports that have been endorsed by the Overview and Scrutiny Management Committee, and to submit a formal response to the recommendations contained within them within two months of their receipt.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. None.

DETAIL (Including consultation carried out)

3. On 10th July 2014 the OSMC agreed the indicative terms of reference for an inquiry to develop understanding of the issues of air quality in Southampton and to identify what additional steps could be taken, if necessary, to improve it. The set objectives of the Inquiry were:
 - To increase understanding of air quality issues within Southampton
 - To examine the causes and impacts of air pollution
 - To understand the actions being taken to reduce air pollution in

Southampton

- Learning from best practise, to identify ways of improving air quality in the city now and for future generations.
4. The Inquiry was undertaken by the Scrutiny Panel with information presented at 7 meetings from July 2014 to March 2015.
 5. The final report contains 20 recommendations in total, summarised in Appendix 2, which if implemented the Panel believe will help improve air quality in Southampton now and for future generations.
 6. The recommendations are grouped under the following key themes:
 - Building on success – Ambition and vision
 - Leading by example
 - Traffic
 - Partnership Working
 - Communications
 7. A final report of the Inquiry is attached as Appendix 1. The report will not be considered by the OSMC until 16th April 2015, after the deadline for publication of Cabinet papers, therefore any amendments made by the OSMC will be reported to the Executive verbally at the Cabinet meeting.
 8. The Executive needs to consider the inquiry recommendations and to formally respond within two months of the date of receiving this report in order to meet the requirements set out in the Council's constitution.

RESOURCE IMPLICATIONS

Capital/Revenue

9. In practice any future resource implications arising from this review will be dependent upon whether, and how, each of the individual recommendations within the Inquiry report are progressed by the Executive. More detailed work will need to be undertaken by the Executive in considering its response to each of the recommendations set out in the Inquiry report.

Property/Other

10. None.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

11. The duty to undertake overview and scrutiny is set out in Part 1A Section 9 of the Local Government Act 2000.

Other Legal Implications:

12. None

POLICY FRAMEWORK IMPLICATIONS

13. The proposals contained within the appended report are in accordance with the Council's Policy Framework.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED:	None directly as a result of this report
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SUPPORTING DOCUMENTATION

Appendices

1.	Final Report – Air Quality Inquiry
2.	Summary of Recommendations

Documents In Members' Rooms

1.	None
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Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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A Review of Air Quality in Southampton

Scrutiny Panel



PANEL MEMBERSHIP

Councillor Hammond (Chair)

Councillor Coombs

Councillor Galton

Councillor Lloyd

Councillor McEwing (Vice Chair)

Councillor O'Neill

Councillor Parnell

Community Development Officer – Louise Fagan

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Chair's Introduction



Councillor Christopher Hammond Chair of the Air Quality Inquiry Panel (2014/15)

This Inquiry's remit was established soon after the World Health Organisation (WHO) published an update of its Ambient Air Pollution in cities report. It named Southampton as one of the worst cities in the UK to be breaching air pollution safety guidelines.

The Department of Transport estimates that the health impact from motorised transport costs £50 million in Southampton alone, with long-term exposure to polluted air causing 110 deaths a year in our city. The main cause of pollution is from a variety of motorised transport.

Evidence to this panel showed that pollution levels of just 18µg /m³ takes on average of 7-8 months off our average life expectancy. It comes as no surprise that Public Health England, is urging local authorities to do more to protect people from harmful air pollution.

Throughout the Inquiry, we've heard evidence from various departments within the council, the two main bus operators, two port companies, resident groups and an independent air quality expert who has advised Defra and the EU. We found evidence of good schemes initiated by the council such as; My Journey, Air Alert Service and the Gyrodrive 'fly-wheel' technology.

Our partners have also made positive steps to lessen the environmental impact of their activities. The bus companies have introduced telematic computers to help operators drive the buses more efficiently and cutting out the engine to reduce vehicle idling. DP World has a strict booking system for HGV's which are given a dedicated time slot to reduce vehicles waiting around.

These are all positive first steps, but that is all they are. It won't make the kind of difference that we need to tackle some of the problems outlined above. We are going to have more vehicles on the road and although the fleet is gradually being greened, there is still a preference for harmful diesel engines.

To tackle and improve the quality of air in our city, will be an enormous challenge which not one party can do alone. We are an industrial maritime port city with a rich history, but we need to become a low emission city, which puts sustainability at the heart of everything we do. This is not at odds with having a thriving local economy.

Independent experts told us that planting certain types of trees, green walls and foliage is the cheapest and most effective way to reduce air pollution. We need to make sure we are planting the right types of trees, but also make sure we tie this to an educational programme in schools, so that our youngest citizens understand the importance of the environment.

The panel recognised that we need to continue to promote modal shift and that our residents need to play their part. We appreciate that this is not an easy thing to do, but it's imperative that we are proactive to stop gridlock and the deterioration in our already polluted air. Residents told us that Southampton isn't a good city to cycle in. This needs to change.

Just under 300 residents responded to our survey about Air Quality in the city, which exceeded our expectations. I would like to thank everyone who took the time to respond, but also to the members of the public who regularly came to the evidence gathering sessions.

We have come up with a set of ambitious, yet realistic recommendations, which will take us further along the road to cleaning up our air. We all need to play our part and work in partnership, otherwise the situation won't change enough. The fact remains; we are breathing in polluted air everyday and it's killing us.

Air Quality in Southampton

Introduction

1. Every year in the UK it is estimated that 29,000 premature deaths are caused by poor air quality¹. Air pollution and its associated effects on society cost England £10 billion per year. This is expected to rise in future years as the number of cars on the roads increases.
2. Data published by Public Health England (PHE)² suggest that in Southampton 6.2% of deaths in 2010 were attributable to air pollution, with long-term exposure contributing 110 deaths amongst those aged 25 years and over 1,280 life years lost. In addition in May 2014, the World Health Organisation (WHO) published an update of its Ambient Air Pollution in Cities report, which named Southampton as one of the worst cities in the UK to be breaching air pollution safety guidelines (specifically for PM 10 – particulate matter).
3. Recognising the importance of air quality in Southampton the Overview and Scrutiny Management Committee (OSMC), at its meeting on 10th July 2014, requested that the Scrutiny Panel undertake an inquiry looking at air quality in Southampton.
4. The OSMC agreed that the inquiry should focus on developing understanding of the issue of air quality in the city and to identify what additional steps can be taken, if necessary, to improve it.
5. The set objectives of the Inquiry were:
 - a. To increase understanding of air quality issues within Southampton.
 - b. To examine the causes and impacts of air pollution.
 - c. To understand the actions being taken to reduce air pollution in Southampton.
 - d. Learning from best practise, to identify ways of improving air quality in the city now and for future generations.
6. The full terms of reference for the Inquiry, agreed by the OSMC, are shown in Appendix 1.

¹ The Healthy Air Campaign <http://healthyair.org.uk/the-problem/>

² Public Health England – Estimates of mortality in local authority areas associated with air pollution <https://www.gov.uk/government/news/estimates-of-mortality-in-local-authority-areas-associated-with-air-pollution>

Consultation

7. The Scrutiny Panel undertook the inquiry over 6 evidence gathering meetings and received information from a wide variety of organisations to meet the agreed objectives. This included experts in public health, air quality, representatives from transport providers, key business partners in the city as well as council officers. A list of witnesses that provided evidence to the Inquiry is detailed in Appendix 2. Members of the Scrutiny Panel would like to thank all those who have assisted with the development of this review.

8. To ensure that resident's views were reflected in the discussions a survey canvassing views was undertaken for the inquiry. The survey ran from 7th August 2014 to 5th September 2014 and received 298 responses from across the city. The number of responses received was in excess of expectations and gives a clear indication of the level of interest in air quality in Southampton.

Findings

9. This section of the report will provide an overview of the key findings generated by the inquiry. The key evidence presented at the 6 evidence gathering meetings is attached as Appendix 3. All of the reports and minutes from the inquiry meetings can be found here:
<http://www.southampton.gov.uk/modernGov/ieListMeetings.aspx?CId=595&Year=0>

Air Quality in Southampton

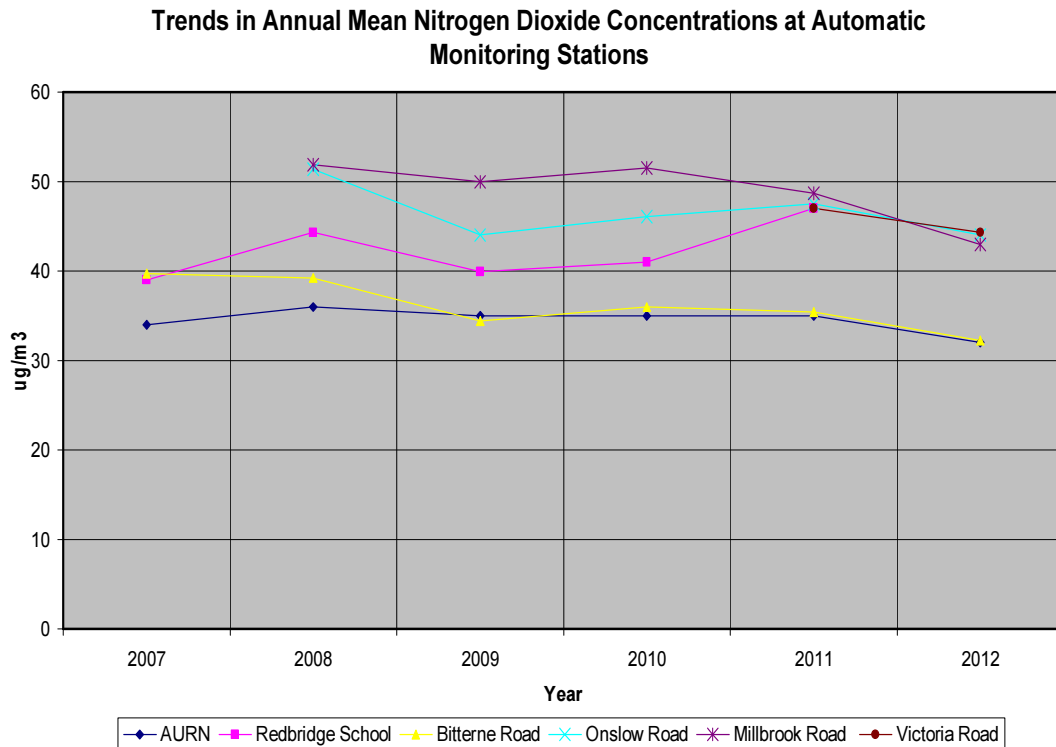
10. Southampton City Council's Regulatory Services monitor air quality at key locations across the city in order to fulfil the council's Local Air Quality Management (LAQM) duties as set out in Part IV of the Environment Act 1995.
11. The LAQM process requires all local authorities to regularly review and assess air quality in their areas, and to determine whether or not air quality objectives are likely to be achieved. Where exceedances are considered likely, the local authority must then declare an Air Quality Management Area (AQMA) and prepare an Air Quality Action Plan (AQAP) setting out the measures it intends to put in place in pursuit of the objectives.
12. Over 200 local authorities have declared AQMAs in the UK. Southampton currently has ten AQMAs declared, each one as a result of the annual mean for nitrogen dioxide (NO₂) exceeding the EU limit value of 40 µg /m³. A map highlighting the AQMAs in Southampton is shown in Figure 1 below.

Figure 1 – Air Quality Management Areas in Southampton



13. Nitrogen dioxide levels in Southampton are broadly comparable to similar cities. Within the AQMA's levels range from 40 ug/m³ to 51 ug/m³ annual average. Levels have been steady with some evidence of a decline in recent years, as shown in Figure 2 below, but expected reductions in NO₂ levels following the introduction of new engine technology have not been realised and levels remain above the EU objective within the recognised AQMAs. For comparison data collated by European Environment Agency (EEA) from Member States reports the highest UK levels at Marylebone Road in London at 98 ug/m³.

Figure 2



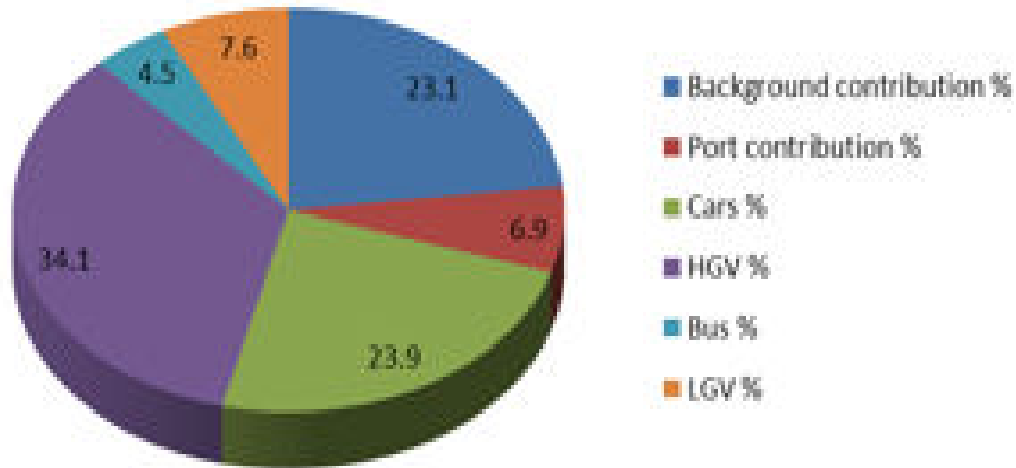
14. In March 2014 the World Health Organisation (WHO) published an update of its Ambient Air Pollution in Cities Database. From this it was reported that Southampton ranked amongst the most polluted cities in the UK and PM₁₀ (Particulate Matter) levels exceeded the WHO guideline of 20 µg/m³ annual average. The WHO guideline level is aspirational. The EU limit value is set at 40 µg/m³ annual average and levels in Southampton fall below this statutory level and well below the European average of 49 µg/m³ and world average of 71 µg/m³. The WHO report used data from a limited number of monitoring sites in varied locations. Pollution levels vary significantly across a city but generally pollution levels in Southampton are similar to other cities in the South of England.

What are the main causes of air pollution in Southampton?

15. As identified within the previous sections Southampton currently has 10 AQMAs declared, each one as a result of the annual mean for nitrogen dioxide (NO₂) exceeding the limit value of 40 µg /m³. As shown in Figure

3, at each AQMA emissions from road transport are the main contributor of the exceedance and the AQMA's capture some of the city's busiest roads and junctions.

Figure 3 - Source apportionment for % of Modelled NOx



16. Over the past decade diesel vehicles have grown from 18% of new cars sold in 2001 to reach 50% of the market in 2012 as successive government schemes have incentivised drivers to buy diesel cars, principally to tackle CO₂ emissions. Diesel vehicles are responsible for significantly higher levels of NO₂ emissions compared to petrol vehicles producing 22 times more particulate matter and 4 times as much NO_x than their petrol counterparts³. It is generally recognised that if the proportion of petrol and diesel vehicles remained at 2001 levels the limit value for NO₂ would have been achieved in many of the current AQMA's.
17. Pollution levels vary significantly across Southampton. In 2013 AEA Ricardo were commissioned by Regulatory Services to undertake a study of the city's Western approach, which includes the largest of the AQMA's declared. The study was financed by a grant from DEFRA and was to identify interventions which might be effective in achieving the limit value for NO₂.
18. The report was published in August 2014 and it identified emissions from the Port of Southampton to be far more significant than previously understood. This is shown in Figure 4.

³ [House of Commons Environmental Audit Committee: Action on Air Quality](#) Sixth report 2014-15, para 23

Auto site Millbrook Road % of total modelled NOx

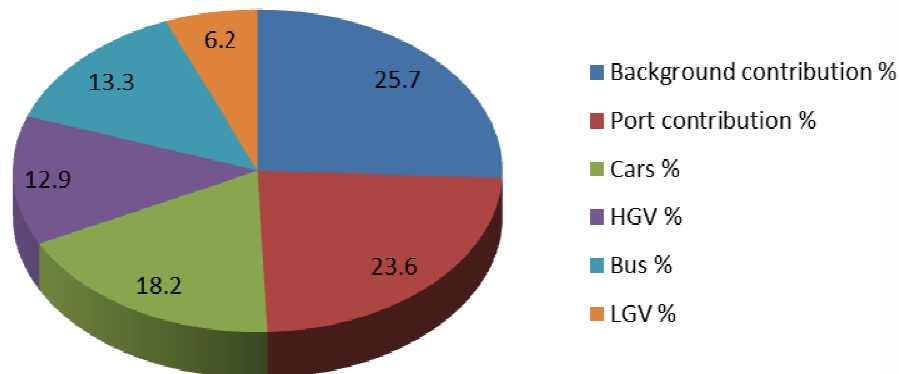


Figure 4

What is the impact of air pollution in Southampton?

Health

19. A recently published Public Health Southampton Intelligence Briefing on air quality and health provides a detailed analysis of the impact that air pollution has on health in Southampton. The briefing reflects information presented to the Panel and has been appended to this report as Appendix 4.
20. Key findings included within the briefing include the following statements:
 - Air pollution is a significant health issue for Southampton, disproportionately affecting our most vulnerable members of society.
 - For NO₂, studies have shown that both day to day variations and long term exposure to NO₂ are associated with mortality and morbidity. Pollutants known to have effects on health are particles, sulphur dioxide, oxides of nitrogen, carbon monoxide and ozone.
 - In a good state of health, short term exposure to moderate levels of air pollution is unlikely to have any serious short term effects.
 - Long term exposure to air pollution does increase the risk of deaths from cardiovascular and respiratory conditions, including lung cancer and existing lung and heart conditions.
 - Evidence of the long term effects of air pollution are most closely associated with levels of fine particulate matter (PM2.5).
 - Department of Transport estimate that health impact from motorised transport for the UK is estimated at £10 billion. The cost to Southampton is estimated at £50 million.

- Modelled estimates of mortality attributable to long term exposure to air pollution suggests that 6.2% of deaths in Southampton in 2010 were attributable to air pollution, with long-term exposure contributing 110 deaths amongst those aged 25 years and over and 1,280 life years lost.
 - Since 2010, Southampton's estimated fraction of mortality attributable to particulate air pollution has declined, from 6.2% to 5.7%. This is in line with a national decrease. 2012 figures show that Southampton's fraction of mortality attributable to particulate air pollution is worse than both the England and South East average of 5.1%. Local cities are also rated better than Southampton, for example Portsmouth 5.3%, Brighton and Hove 5.0%, Bristol 5.2% and Bournemouth 4.1%.
 - Mapping of Chronic Obstructive Pulmonary Disease hospital admissions, asthma hospital admissions and cardiovascular hospital admissions against air quality management areas in Southampton City show close correlation. Those areas in Southampton with the highest pollution levels are also areas where hospital admissions for these indications are highest. These are also areas of significant deprivation and where we would expect health outcomes to be worse.
21. Reflecting the issues identified above Public Health England is now urging local authorities to do more to protect people from harmful air pollution.

Financial Implications

22. In addition to the £50m health costs identified above, UK policy is driven by the European Air Quality Directive which requires Member states to meet limit values for key air pollutants which are known to cause human health effects. Air quality is reported to the European Commission in terms of 43 zones and urban agglomerations. This is handled by DEFRA on behalf of the government and local authority reporting of air quality under LAQM feeds into this.
23. In February 2014 the European Commission started infraction proceedings against the UK for breaching nitrogen dioxide (NO₂) limit values in 16 of its 43 zones. The Southampton agglomeration is one of these recognized zones and the council has received written notification from DEFRA informing them of the infraction process and the potential financial risks this presents. The letter reminds the responsible authorities of the discretionary power in Part 2 of the Localism Act under which the government could require them to pay all or part of an infraction fine if they have not taken reasonable actions to achieve the air quality objectives.
24. The letter indicates that the legal process could take several years to complete and that the Commission has stated that regardless of this it would like to "to achieve full compliance with existing air quality standards by 2020 at the latest."

What action has been taken, or is planned to improve air quality in Southampton?

25. Southampton has a strong track record in delivering innovative approaches to addressing air quality issues in the city. Underpinning the action is a strong evidence base and the Panel were informed by Dr Beth Conlan, Managing Consultant at Ricardo AEA, that the council is good at reviewing and assessing air quality and is aware where hotspots are and what the major sources of pollution are.
26. Southampton's first Air Quality Action Plan (AQAP) was introduced in 2007 and includes measures aimed at improving air quality in the city. The plan has been integrated with the Local Transport Plan and the Local Sustainable Transport Fund (LSTF). To date the Action Plan, containing 48 individual schemes, has focused on transport related projects that will improve the efficiency of the road network and reduce congestion or reduce the burden on the existing road network by promoting a shift to more sustainable forms of transport.
27. The Panel were informed of numerous initiatives led by the council, private sector organisations, and in partnership that should contribute to improving air quality in Southampton. Details of the various approaches are outlined in Appendix 3 and include the following:
 - My Journey – Award winning smarter travel campaign, funded through the LSTF, to encourage modal shift away from the private car towards healthier and more environmentally friendly alternatives. This is essential given the link between air quality and motor vehicles in Southampton. The campaigns Sustainable Travel Programme, has seen a 12% increase in the number of daily cycling trips and reduced daily vehicle traffic by over 3%
 - Air Alert – This service, funded by DEFRA until 2016, enables people who are more vulnerable to air pollution to receive alerts when pollution levels are high in Southampton. Currently there are 201 subscribers to this free council provided service.
 - Sustainable Distribution Centre (SDC) – This facility enables goods to be stored at a distribution centre before being delivered to sites across Southampton.
 - The SDC is forecast to reduce the number of HGV travelling into Southampton City Centre by up to 75%, (potentially 6,900 vehicle movements per annum - excludes HGV travelling to the port).
 - It is hoped that the SDC will reduce Southampton's Carbon footprint by up to 75% and decrease the output of other harmful gases caused by HGVs.
 - The SDC will also reduce congestion in and is not operating at full capacity yet.
 - Travel Plans have been developed for schools and employers in Southampton.

- Road Improvement Schemes – Platform Road and the planned Redbridge Roundabout scheme should help ease congestion.
 - Southampton City Council’s new light goods vehicles and refuse vehicles are fitted with driver monitoring equipment to reduce fuel consumption. They are not currently switched on.
 - Significant investment in new, more efficient bus fleet in Southampton fitted with driver monitoring equipment.
 - 37 buses operating within the city will receive Gyrodrive ‘Fly-wheel’ technology to improve fuel efficiency as a result of partnership working between Southampton City Council, Go South Coast Buses and the Department for Transport.
 - DP World Southampton was the first terminal in Europe to introduce a Vehicle Booking System to help manage the flow of vehicles visiting the port.
 - 36% of containers from the port move inland by rail now. In 2007 this figure was 28%, equivalent to 80,000 less HGVs on the roads.
 - £50,000 funding from Defra has been secured to convert container stacking machines in the Port of Southampton from diesel to natural gas.
 - More efficient cruise liners visiting Southampton.
 - A major taxi firm in Southampton is introducing 15 new hybrid vehicles into its fleet.
28. Despite the innovative initiatives and the new clean engine technology being introduced within the national fleet, the Panel were informed that the 2014 Ricardo-AEA study of the city’s Western approach identified that there were concerns that compliance with NO₂ limits may not be achieved within the 2020 timeframe.
29. The Ricardo-AEA study considered interventions which might be effective in achieving the limit value for NO₂. The study evaluated the potential benefits of establishing a Low Emission Zone (LEZ) to promote the introduction of low emission technology through penalties and enforcement cameras (as operating in Greater London). The study identified that a LEZ could bring compliance dates forward by a few years but would require significant capital investment. Over a ten year period costs would still outweigh benefits by approximately £2M and further economic impacts would be difficult to predict. Again, success would be dependent upon cleaner engine technology delivering the benefits predicted.
30. The study recommended developing and implementing a city wide Low Emissions Strategy (LES) that could be an effective means of promoting low emission technologies, delivering public health benefits and achieving compliance by 2019 without introducing a LEZ. An effective LES could include the following objectives:
- Develop emission reduction strategies for passenger cars, freight, buses and taxis.
 - Develop further innovative retrofit technologies to bus fleets.

- Explore a voluntary 'Low Emission' badge scheme for taxi operators.
 - Build on existing private sector partnerships to achieve shared emission reduction goals.
 - Explore alternative fuel infrastructures for commercial vehicles including LNG.
 - Provide a platform for inward investment for air quality mitigation.
31. Further funding has been obtained from Defra to develop a city wide LES that would sit within the Air Quality Action Plan. It is proposed to deliver the project through a cross-departmental project team sponsored by Regulatory Services over a 24 month period.

What areas need to be addressed or improved?

32. Whilst the Panel recognised the good practice being demonstrated in Southampton to address the causes of air pollution in the city, Members identified a number of areas where improvements can be made.
33. Ambition – The city has a good reputation for delivering innovative initiatives and has been successful in obtaining substantial government funding. The Panel believe that there is an opportunity for the city to be more ambitious in its approach, building on existing partnerships to strive to become a low emissions city. This ambitious goal was widely supported by key partners who were consulted during the inquiry and will strengthen the chances of future transformational funding bids being successful.
34. Co-ordination - It is clear there are more opportunities to raise the profile of air quality even further in council decision making and ensure it is afforded sufficient priority to assist effective cross-departmental working. This will clearly be enhanced by an influential Low Emissions Strategy. The Panel identified Planning, Procurement and Fleet Management as areas where more can be done to support emission reductions.
35. Traffic congestion / idling vehicles – Road transport is the single biggest cause of air pollution in Southampton and despite efforts traffic levels in the city are expected to rise with population and economic growth. The resident's survey identified widespread support for park and ride schemes, investment in cycleways, as well as limiting the idling of HGVs and trains, and ships hotelling (running auxiliary generators when docked at the port) to improve air quality. The Panel also believe that traffic flows in the city, and the corresponding pollution levels, could be improved.

Conclusions and Recommendations

Conclusions

36. After consideration of the evidence presented to them the Panel have reached the following conclusions:
- Air quality is a significant issue in Southampton that has a detrimental impact on health and wellbeing and the environment.
 - A lot of good practice and innovative approaches have been employed in Southampton to address air pollution.
 - Despite technological advances and good practice it is likely that with increased traffic levels, population growth and economic development, including increased activity within the Port, air quality will remain a significant problem in Southampton with associated health and environmental impacts unless more is done to tackle the issue.
 - Southampton can and must do more, taking advantage of the opportunities available, to improve air quality in the city.

Recommendations

37. The Panel have identified a number of recommendations that they believe will, if fully implemented, help reduce harmful air pollution in Southampton and limit the impact on vulnerable members of society. The recommendations have been categorised under the following headings:
- Building on success – Ambition and vision
 - Leading by example
 - Traffic
 - Partnership working
 - Communication

Building on success – Ambition and vision

38. This report outlines a few of the numerous measures that have been employed or are planned to reduce emissions in Southampton. The city needs to build on the successes, deliver the proposed improvements and collectively be more ambitious, seeking funding opportunities where available to achieve the vision of a low emissions city. In support of this the following recommendations are proposed:
- In recognition that road vehicles are the primary source of NO₂ emissions and particulate matter in the city the Panel recognised the importance of encouraging behaviour change towards healthier and more environmentally friendly alternatives. The Panel therefore recommend that:

- (i) ***The Council continues to fully support modal shift initiatives through the My Journey campaign and related initiatives encouraging people to use alternative modes of transport.***
- The Panel reviewed the evidence related to interventions which might be effective in achieving the limit value for NO₂. The Panel agreed that the Low Emission Zone was at this stage not the preferred option and recommend that:
- (ii) ***The Council, learning from best practice, develops a Low Emissions Strategy that articulates the vision for a low emissions city and provides strategic focus to the promotion of low emission technologies and improving air quality across Southampton. This should be overseen by the Health and Wellbeing Board.***
- Funding opportunities are available to areas that have a track record in delivering agreed outcomes and have ambition and vision that supports lowering emissions. Southampton has been successful in securing external funding and, supported by a developing Low Emissions Strategy, should continue to seek grant funding, matched by council resources if required. Therefore, following the canvassing of support from key partners during the inquiry, the Panel recommend that:
- (iii) ***The Council is to continue to seek funding opportunities and submit bids reflecting commitment to a step change in adopting ultra-low emission vehicles, alternative fuels and technologies that will be delivered alongside sustainable transport choices.***
- Evidence to the Panel suggested that the cheapest yet most effective measures for combatting pollutants in the air was by green infrastructure. Southampton should consider a tree planting project similar to what is being undertaken in [Bristol](#), where every primary school child (36,000) has the chance to plant a tree in their city.
- Funding could be explored, and would help alleviate air pollution levels but also give the city a great legacy. Our youngest citizens would learn about the importance of wildlife but also have a physical link to a personal piece of Southampton.
- A less ambitious (and cheaper) option would be to start a tree planting project around Air Quality Management Areas and schools located near these. The Council could source European funding or other funding opportunities.
- (iv) ***The City Council adopts an ambitious green infrastructure planting programme, which is tied in with primary schools to teach children the importance of their environment.***

- (v) ***The Councils Tree Team are to prioritise the re-planting/ planting of trees and other green infrastructure which are known for their pollutant absorbing capabilities.***

Leading by example

39. Local authorities have an important role to play in helping to improve air quality. The Panel recognise the strong working relationships between different council services but consider that opportunities exist for the council to lead by example and ensure that reducing emissions is at the forefront of council decision making. It is therefore recommended that:

- (vi) ***The Council ensures that the aims and objectives within the developing Low Emissions Strategy permeates into the decision making processes so that all relevant plans, policies and strategies give due consideration to air quality.***

- Planning Policy can help to improve air quality by reducing emissions through guiding patterns of development to locations served by public transport, and by mitigating emissions through 'on site' measures such as building layout, ventilation and types of building material; and 'off site' measures such as landscaping and green infrastructure. The Panel were informed of the approach followed by Bradford MDC where planning policy is a key component of their Low Emission Strategy and of examples of 'green landscaping' that can help improve air quality with little expenditure. To ensure that planning policy supports and drives reducing emissions in Southampton it is recommended that:

- (vii) ***The Council use the review of the Local Plan and the development of the Low Emissions Strategy to evaluate how planning policy can be more effective at reducing and mitigating emissions. To include working with Council's Tree Team, the Woodland Trust and others to identify preferred species of trees to absorb pollution, and with developers and partners to prioritise green infrastructure especially near pollution hotspots and green routes.***

- The Council's Fleet Management Service sources vehicles for business units across the Council and spends more than £1m annually on fuel. To reduce fuel consumption and emissions the Panel recommends that:

- (viii) ***The Council follows the lead set by the bus companies and implements the driver monitoring equipment fitted to any light goods and refuse vehicles and recognises drivers who drive efficiently. This is to happen as soon as possible.***

- (ix) ***Eco-Driver training is made mandatory for all employees who drive Council vehicles and existing staff members are to be trained as soon as possible.***
- (x) ***The impact on air quality is factored into the procurement decisions made by Fleet Management Services and the council looks at sourcing ultra-low emission Electric/ Hybrid Vehicles and retrofitting existing petrol and especially diesel vehicles with low-emission technologies. The default position being an ultra-low emission vehicle unless a business case shows otherwise.***
- As the report highlights electric vehicle provision is pretty woeful in the council, both in the respect of internal adoption (fleet operations) and encouraging our residents to consider this option as opposed to polluting diesels and petrol. The public health benefits of Electric car ownership benefit everybody in the city with zero exhaust emissions from the car. The Council should recognise the current high cost of Electric Vehicles and help adoption by granting 2 hour free on street car parking throughout the city. This could easily be adopted by issuing a special coloured parking disk which would have to be displayed:
- (xi) ***To help encourage the adoption of zero emission vehicles in the city the Council should offer free 2 hour on-street parking to vehicles which emit zero emissions i.e. electric vehicles.***

Traffic

40. As a general rule vehicles in free flowing traffic emit less pollution than those in stop-start traffic jams. To improve the flow of traffic in the city the Panel recommend that the Council:
- (xii) ***Ensure that air quality is given due consideration during the current review of the ITS Strategy, (delivered by the Integrated Transport Board). As well as optimising traffic movements, traffic light signal plans, speed limits (including 20mph in areas where stop-start traffic is a problem) and other traffic management applications should be used to deliver improvements in air quality wherever possible.***
 - (xiii) ***Re-evaluates the potential for Park and Ride sites for the city, factoring the public health costs of air pollution into the decision making process. To investigate with partners the ability to develop future sites through the Local Plan process identifying potential capital funding sources as well as commercially viable operation through partnerships with transport operators.***

- (xiv) ***Prioritise the re-surfacing of cycle routes across the city, starting with main commuting routes, making cycling safer and more appealing through the revision of the Transport Assets Management Plan (TAMP) including seeking external funding to increase the scale and viability of such a programme. Consulting with cycling groups on new and existing routes.***
- (xv) ***Seek to influence the idling policies of key transport operators within the city, including port activity, trains, buses, taxis and HGVs, to minimise emissions caused by engines idling.***

Partnership Working

41. It is clear the city has benefited from additional funding as a result of good partnership working taking place across the city between the Council and other key stakeholders including ABP, DWP and bus companies. Evidence presented to the Panel highlighted the need to focus on port activities to reduce emissions from actions such as ship hotelling, identified as a major polluter in the Ricardo-AEA Western Docks study. The Panel were informed that ports in Germany and California use shore power technology to power ships when in port, thereby removing the emissions caused by ship generators. The Panel recommend that:

(xvi) ***The Council work in partnership with key stakeholders to assess the feasibility and eventual introduction of shore power technology at the Port of Southampton.***

(xvii) ***The Council is to, with support from other Port cities, write to the MPs of the City and the DfT to encourage the adoption of shore power across the UK.***

- Use of the Sustainable Distribution Centre can reduce the number HGVs coming into the city, relieve congestion and lower emissions. It is recommended that:

(xviii) ***The Council encourages partners to make greater use of the Sustainable Distribution Centre.***

Communications

42. The results of the Air Quality survey demonstrated that people are interested in receiving information on air quality in the city. The Air Alert service enables people who are more vulnerable to air pollution to receive alerts when pollution levels are high in Southampton. Currently there are 201 subscribers to this free service and 75% of subscribers felt that the service improves their wellbeing. However, funding from DEFRA for this service is due to cease in 2016. The Panel recommend that:

(xix) ***The Council explore opportunities to integrate the Air Alert service with other information/messaging and health alert***

services, such as cold and heat alerts, and consider how user friendly air quality information can be communicated to a wider audience through existing channels such as Stay Connected.

(xx) The Council looks at innovative ways to measure air quality across the city.

43. Finally, Members of the Panel recognise that whilst the Council has an important role to play in improving quality in the city, it is clear this cannot be done in isolation. A change of mind-set for all is needed.

Appendices

Appendix 1 – Inquiry Terms of Reference

Appendix 2 – Inquiry Plan

Appendix 3 – Summary of Key Evidence

Appendix 4 – Public Health Southampton – Intelligence briefing on Air Quality and
Health

Appendix 1 – Terms of Reference

Air Quality in Southampton

Terms of Reference and Inquiry Plan

1. Scrutiny Panel membership:

- a. Councillor Christopher Hammond
- b. Councillor Hannah Coombs
- c. Councillor Steven Galton
- d. Councillor Cathie McEwing
- e. Councillor Brian Parnell
- f. Councillor Asa Thorpe
- g. Councillor Paul O'Neil

2. Purpose:

To develop understanding of the issue of air quality in Southampton and to identify what additional steps can be taken, if necessary, to improve it.

44. Background:

- In May 2014 the World Health Organisation (WHO) released a report, which named Southampton as one of the worst cities in the UK to be breaching air pollution safety guidelines (specifically for PM 10 – particulate matter).
- The main cause of air pollution in the UK is emissions from motor vehicles. In Southampton additional sources of air pollution include industrial emissions, shipping emissions as well as airflow from the continent.
- Local authorities have an important part to play in helping to improve air quality. This includes coordinating local assessment and action; taking air quality into account when undertaking transport functions, ensuring the planning system is deployed to limit deterioration of air quality (or exposure) and where possible to improve air quality and promote the public health benefits of good air quality.
- Provisions in the Localism Act allow the Government to pass down fines from the EU to a local level. Defra has indicated that it intends to do this if Air Pollution targets are not met. In addition Public Health England (PHE) is now urging local authorities to do more to protect people from harmful air pollution.

45. Objectives:

- To increase understanding of air quality issues within Southampton

- To examine the causes and impacts of air pollution
- To understand the actions being taken to reduce air pollution in Southampton
- Learning from best practice, to identify ways of improving air quality in the city now and for future generations.

46. **Methodology:**

- Undertake desktop research
- Seek stakeholder views, including through use of social media
- Identify best practice

47. **Proposed Timetable:**

Six meetings July/August 2014 – December 2014/January 2015

48. **Inquiry Plan** (subject to the availability of speakers)

Meeting 1: Thursday 31st July

- Introduction, context and background – Overview of air quality in Southampton and national comparison.

To be invited:

- Lead Cabinet Member
- Independent expert
- Environmental Health

Meeting 2: Thursday 18th September

To examine the impact of poor air quality.

- Public Health
- Residents perspective

To be invited:

- Public Health
- Residents Groups, including Western Docks Consultative Forum

Meetings 3 & 4: Thursday 23rd October and Thursday 20th November

- To identify the causes of air pollution in Southampton, the areas worst affected, and the actions that are being taken, or are planned to address air quality in Southampton.

To be invited:

- Transport for South Hampshire (TfSH)

- ABP
- DP World
- Bus Companies
- Meechers Global Logistics (Sustainable Distribution Centre)
- Council Officers from Transport, Environmental Health, Sustainability, Planning, Licensing

Meeting 5: Thursday 18th December

To identify best practice

To be invited:

- Defra
- SusTrans
- Other local authorities

Meeting 6: Thursday 22nd January

- To approve the final report of the inquiry and recommendations

Appendix 2 - Inquiry Plan – Air Quality (July 2014 – March 2015)

DATE	MEETING THEME	TOPIC DETAIL	EVIDENCE PROVIDED BY
31/07/13	<p>Agree Terms of Reference</p> <p>and</p> <p>Introduction to the Inquiry</p>	<p>Introduction, context and background – Overview of air quality in Southampton, the causes and a national comparison.</p>	<ul style="list-style-type: none"> • Councillor Jacque Rayment (Cabinet Member for Environment and Transport) • Steve Guppy, (Scientific Team Leader, SCC) <p>Items appended to reports:-</p> <ul style="list-style-type: none"> • Inquiry draft Terms of Reference • Background information
18/09/14	<p>Public Health and a residents perspective</p>	<p>To examine the impact of poor air quality.</p>	<ul style="list-style-type: none"> • Debbie Chase (Consultant in Public Health, SCC) • Fiona Davey (MSc student, University of Southampton) • Chris Hinds and Michael Clark (Western Docks Consultative Forum – Residents group) • Residents survey results (Transformation and Performance, SCC) <p>Items appended to report:-</p> <ul style="list-style-type: none"> ○ Air Quality in Southampton – Public Health background information ○ A Health Impact Assessment of Air Pollution in Southampton: Dissertation summary ○ Residents survey results (conducted by SCC)
23/10/14	<p>The Port of Southampton and the</p>	<p>Action being taken by the Port of Southampton, Go</p>	<ul style="list-style-type: none"> • Aart Hille Ris Lambers (Head of Commercial, DP World Southampton)

DATE	MEETING THEME	TOPIC DETAIL	EVIDENCE PROVIDED BY
	bus companies	South Coast and First Bus or that are planned to improve air quality.	<ul style="list-style-type: none"> • Rod Figg (Compliance Officer, DP World Southampton) • Andrew Wickham (Managing Director, Go South Coast – Blue Star and Uni Link buses) • Marc Reddy (Managing Director, First Bus Hampshire, Berkshire and Dorset) <p>Written information provided by: -</p> <ul style="list-style-type: none"> ○ Sue Simmonite (Development and Environment Manager, Associated British Ports) and DP World Southampton – joint paper ○ Gary Whittle, Commercial Director - Meachers Global Logistics – Sustainable Distribution Centre
20/11/14	Southampton City Council	The Panel will consider how effective the council is working together to address air quality in Southampton.	<ul style="list-style-type: none"> • Graham Tuck, (Regional and Strategic Planning Co-ordinator, SCC) • Colin Rowland, (Waste, Fleet and Sustainability Manager, SCC) • Steve Guppy, (Team Leader, Scientific Service, Environmental Health, SCC) • Neil Tuck, Local Sustainable Transport Fund Programme Manager, SCC) • Philip Marshall, Solent Transport <p>Written information provided by:-</p> <ul style="list-style-type: none"> ○ Submission to Air Quality Scrutiny Panel: Planning Policy – Graham Tuck ○ Submission to Air Quality Scrutiny Panel: Fleet Services (Sustainability) – Colin Rowland ○ Solent Transport – Air Quality ○ Air Quality in Southampton – Background information

DATE	MEETING THEME	TOPIC DETAIL	EVIDENCE PROVIDED BY
			<p>(re-submitted from mtg 1) – Steve Guppy</p> <ul style="list-style-type: none"> ○ Submission to Air Quality Panel: Licensing – Phil Bates, Licensing Manager, SCC <p>Other items appended to the report:-</p> <ul style="list-style-type: none"> ○ Air Quality in Southampton – Ricardo AEA – Dr Beth Conlan ○ Western Approach AQMA air quality assessment– a baseline study to support the Low Emission Zone feasibility assessment and development of mitigation measures
18/12/14	To identify best practice	Independent air quality expert invited to give overview of Western Approach Study and comment on possible areas the Panel may wish to address	<ul style="list-style-type: none"> • Dr Beth Conlan (Managing Consultant, Ricardo-AEA) – independent air quality expert <p>Other Items appended to report:-</p> <ul style="list-style-type: none"> • The Woodland Trust – Urban Air Quality report
22/01/15	Review additional written evidence and to summarise the inquiry's evidence and highlight emerging recommendations.	The Panel will discuss written information provided by other stakeholders in the city.	<p>Written information provided by: -</p> <ul style="list-style-type: none"> ○ Freightliner – Hans Clemens, Group Environment Manager ○ South West Trains – Phil Dominey, Stakeholder Manager ○ Royal Caribbean – Tavia Robb, Corporate Responsibility and Sustainability Communications Department

DATE	MEETING THEME	TOPIC DETAIL	EVIDENCE PROVIDED BY
			<ul style="list-style-type: none"> ○ Carnival UK – Dave Smith, Deputy Environment Manager <p>Other items appended to the report: -</p> <ul style="list-style-type: none"> ● Dr Alan Whitehead MP – Southampton Test MP & Member of House of Commons Environmental Audit Committee – written evidence
19/03/15	Agree final report.	Approve report for submission to Overview and Scrutiny Management Committee	N/A

The minutes for each meeting and the evidence submitted to the Scrutiny Panel is available at: - <http://www.southampton.gov.uk/modernGov/ieListMeetings.aspx?CommitteeId=595>

Appendix 3 – Summary of Key Evidence

Scrutiny Panel – Air Quality

Inquiry Meeting – 31 July 2014

Introduction, context and background – Overview of air quality in Southampton.

Summary of information provided:

Cabinet Member for Environment and Transport, SCC – Councillor Jacquie Rayment

- Corporate responsibility for Air Quality with Cabinet welcoming the inquiry.
- Have been working on Air Quality for some years now, it is not new.
- Air Quality cuts across a number of Portfolios, including Planning, Sustainability and Public Health. Cabinet Members work together to see what can be achieved collectively as they see Air Quality weaved into a number of priorities.
- Have been recently discussing the Air Quality Action Plan. This included having discussions around a Low Emissions Strategy (LES) and a Low Emission Zone (LEZ).
- The City has a vibrant Port, the City needs this. – Would like the Panel to find solutions to any problems, by finding a good balance between Air Quality and the Ports.
- SCC has a good working relationship with the bus companies, with First Bus bringing real improvement to their fleet and Uni Link / Bluestar in the process of introducing the new fly-wheel technology to their fleet – true partnership working.
- Hopes the Panel can recognise some of the good work that is already happening.

Scientific Team Leader, Environmental Health, SCC – Steve Guppy

- The Regulatory context includes EU Air Quality Directive 2008/50/EC, The Environment Act 1995 and The Air Quality (England) Regulations 2000.
- LAs have to make reasonable efforts to achieve limits set under the EU Air Quality Directive, the Government are required to ensure that objectives are met. Fines can now be passed down from Government to LAs breaching limits.
- The main driver when setting limits is to prevent harm to public health.
- The Local Air Quality Management regime (LAQM) dictates how LA's assess air quality.
- LAQM describes a rigorous assessment process, operating on a 3 year cycle since 2000. Currently in 5th round. Identifies areas where air quality may be an issue then focuses on these geographical areas with more detailed assessments.

- Over the past 15 years, monitoring has included a network of diffusion tubes (equipment used to record monthly averages of nitrogen oxides) at various changing locations in the city.
- Currently there are 4 monitoring stations operating across the City measuring real time data for a range of pollutants. Four further sites have been subject to continuous monitoring since 1999.
- Stations have previously closed, as SCC is constantly refining the monitoring process. If residents groups were to take on the monitoring equipment at closed stations the cost of annual monitoring would be in excess of £10k plus officer time.
- The EU limit for maximum levels of NO_x is 40ug / m³ annual average. The world average has been reported as being as high as 71ug / m³ mg.
- Southampton is currently exceeding the annual average of pollutant, NO_x, with HGVs, cars and Port activity all being contributors. The apportionment for % of modelled NO_x will vary at each monitoring station across the city.
- Trends since 2007 were averaging 45mg- this has dropped and is now a little over 40mg. Improved vehicle engine standards have helped decrease levels but not as good as initially expected. Diesel vehicles have significant more harmful pollutants than their petrol counterparts.
- Monitoring Station data has historically focused on NO_x as the LAQM regime is driven by public health matters. SCC has good baseline data and is pretty confident that other pollutants such as sulphur dioxide and PM (Particulate Matter) are not presenting major problems.
- Funding received with DEFRA working with SCC to conduct a feasibility study that looked into introducing a LEZ near the Western Approach - it generally looks unfeasible because it could well bring a loss circa £2million.
- The Western Approach modelling does take into account the rail road in addition to the HGVs/ transport and dock activity.
- Modelling suggests that data with new technology being introduced the city *could* potentially achieve the EU directive limit by 2019.
- It must be noted with caution when comparing levels other LAs, because all areas contain different data for different reasons. Cannot compare like for like but levels in Southampton are considered to be typical for similar cities.
- The dangerous air pollutant PM (2.5) can contribute to premature deaths. Road transport does impact on Public Health. Southampton has an industrial past, and general respiratory and poor air quality will also contribute to figures.
- The Panel felt they would need to know the number of total deaths in Southampton to be able to gain a better understanding of the impact. Public Health are invited to a future inquiry meeting.
- SCCs Air Quality Action Plan (AQAP) has been established and has a main focus of addressing the pollutant levels. With 48 individual schemes being recognised with the AQAP including aiming to address sustainable transport via modal shift projects such as My Journey, road improvement schemes (Platform Road), Port Masterplan Actions (e.g. HGV booking system) and Private Sector Partnership (e.g. Freight Consolidation Project – ensuring movement of goods).
- The AQAP has also introduced Air Alert – communicates incidences of poor air quality in the city with 220 subscribers. 75% of Air alert subscribers felt that the service does improve their wellbeing.

- The AQAP recognises fleet improvements and the city has recently been successful in funding from the Clean Vehicle Technology fund.
- Proposing the need for a Low Emission Strategy (LES) – city wide. To help deliver public health benefits across the city and assist with ensuring the EU limit values are achieved within an acceptable time frame.
- The Government are promoting various funding programmes. This include the Ultra-Low Emission City Status where 2 – 4 cities in the UK will benefit from significant investment. It will be competitive and LAs with an existing LES stand a better chance. Southampton already has good working relationship with DEFRA, SCC would be a good position to apply.
- As part of the Red Tape Challenge government are assessing the LAQM regime. The outcome of a recent consultation is expected this summer. Expecting that changes will relieve the burden on review and assess (monitoring and reporting) and focus on action planning to deliver improvements.

Conclusions from meeting:

- SCC is delivering its statutory requirements with regard to the Local Air Quality regime i.e. reviewing and assessing key pollutant levels within its area.
- SCC has identified 10 AQMA's as part of this process and has an active and comprehensive Air Quality Action Plan.
- Air quality is improving but there is scope to improve further. A Low Emission Strategy is considered by Regulatory Services as the most effective way to deliver further improvements.
- Continuous improvements (beyond statutory requirements) will deliver public health benefits.

Inquiry Meeting – 18 September 2014

To examine the impact of poor air quality.

Summary of information provided:

Consultant in Public Health, SCC – Debbie Chase

- Public Health England and local respiratory expert contributed to the Public Health background paper submitted as evidence for the inquiry.
- Nitrogen Dioxide (NO₂) contributes to respiratory and cardiovascular diseases, with children, elderly and those with existing conditions being most at risk of poor air quality.
- No currently available evidence of a threshold where air pollution has no effect on health and only starting to learn to evidence the impact. Evidence on health impact is increasing.
- Public Health England estimates that 6% of deaths in Southampton (2011) are attributable to long term exposure to air pollution, with approximately 1,280 associated years of life lost. This level is worse than both the England and South East average (5.1%)
- Evidence is building worldwide that Chronic Obstructive Pulmonary Disease (COPD) is expected to increase over coming years. 2% of residents in Southampton sufferer from COPD.
- The number of Asthma sufferers in Southampton (6.1%) is similar to England figures (6%).
- Cross analysis of Air Quality Management Areas and areas of social deprivation show a higher number of hospital admissions related to respiratory conditions in areas of social deprivation.
- Department of Transport estimate that air pollution and its associated effects on society cost England an estimated £10 billion per year. The cost to Southampton is estimated at £50 million.
- Public Health praised the councils ongoing work with schemes such as My Journey and the Air Alert system both helping towards a healthier Southampton. The promotion of walking and cycling has additional health benefits.
- Improving air quality is considered a priority, heart and lung disease are significant health issues in Southampton with air pollution causing 1 in 15 deaths.
- Important that any future work is joined up and key partners, internal and external work closely together. A Low Emission Strategy could help deliver this vision.

MSc Public Health course student, University of Southampton – Fiona Davey

- Conducting research into the health impacts of air pollution in Southampton and will share final report when complete.
- Preliminary findings recommend a number of interventions to improve air quality.

- Planting of Silver Birch trees could reduce NO2 by 40% through absorption of the pollutant through its leaves. Partnership working could be done with schools community groups to promote National Tree Week and plant more trees.
- Literature review has evidenced that exposure to poor air quality impacts on various serious health conditions and even loss of life.
- Focus group results evidenced that cycling safety was important for modal shift to take place. The need for cycle lanes on all new roads and possible use of NO2 absorbing materials should be embedded within Planning policy.

Resident feedback - Western Docks Consultative Forum (WDCF) – Chris Hinds and Michael Clarke

- WDCF represent residents living or working in the vicinity of the Western Docks. The group have expressed concern about the high level of pollutants, which have been heightened by recent press reports.
- Residents felt that road vehicles are major causes of air pollution, and significant contributors are diesel engines.
- The M271 leading to Redbridge roundabout and the Redbridge to Millbrook road is of concern. Both roads have the majority of Heavy Goods Vehicles (HGVs) accessing the docks and are heavily congested during peak times.
- Ministry of Transport data shows a 61% increase in HGV traffic on the M271 to Redbridge roundabout over the past 14 years with the largest increase over the past 3 years.
- Growing concerns around developments concentrated in one area and their impact on air quality.
- There is a need to reduce pollution created by ships in port. Many ships in port at any one time with engines running has a cumulative effect on air quality.

Ways to improve air quality

- To improve the control of HGV on roads leading to docks and encourage HGVs, buses, taxis and coaches not to idle when stationary for an extended period.
- To introduce a Park & Ride service, possibly serving both Eastleigh and Southampton.
- Encourage the use of low emission transport and the improve cycle lanes making it more appealing and safer for commuters.
- Reduce speed limits within the city, especially on Millbrook Road and side streets.

Residents Air Quality survey feedback

- A survey created to canvass resident's views on air quality in Southampton.
- Ran from 7th August 2014 – 5th September 2014. 298 responses received, from residents across the city. This was in excess of expectations and shows that air quality is important to Southampton residents. Limitations of the survey must be noted due to its self-selecting nature.
- More than half (59%) of respondents felt that air quality in Southampton was quite a significant issues to them.
- Cars, HGVs, buses and shipping and other port based activities were the most popular choices when respondents identified contributors to the city's air

quality. Sewage works, bonfires, airport and associated air craft were also highlighted as contributors. 44% respondents felt that cars are the main contributor to air quality, with HGVs (20%) second most popular and industry, including shipping/ ports (10%) third most popular.

- There was a correlation between concerns about levels of pollution from the ports and sewage works and the views of those living nearest these locations.
- 59% of 294 respondents felt air quality in the city has worsened in recent years, whereas in contrast 4% felt it had improved. With 19% feeling it had remained the same and 18% simply not knowing.
- Residents suggested a number of ideas on ways to improve air quality in Southampton, which included –
 - Introduce 20mph across city in residential areas
 - Public transport – review fares, networks and introduce eco-friendly buses
 - Introduce ‘No idling zones’ - other LAs have done this.
 - Increase planning controls on high polluting industries
 - Introduce a Park & Ride service
 - Air quality data needs to be more accessible
 - Improve green infrastructure across city to help absorb harmful pollutants
 - Encourage cycling – improve routes/ introduce cycle hire scheme

Conclusions from meeting:

- Whilst the evidence base is still building, it is clear that poor air quality does have an impact on public health with the elderly, children and those with pre-existing respiratory conditions being most at risk.
- Public Health recognise the importance of future joined up working across the council, to help address air pollution. Implementing a Low Emission Strategy could be the way to achieve this.
- It is evident that residents have an interest in air quality in Southampton and there have been some innovative ideas on ways air quality could be improved. Whilst some ideas would need further exploration, others could potentially be effective low cost effective in tackling air pollution and the way residents receive information on air quality in their area.

Scrutiny Panel – Air Quality

Inquiry Meeting – 23 October 2014

Summary of information provided:

The Port of Southampton

Commercial Director, DP World Southampton – Aart Hille Ris Lambers and

Compliance Officer, DP World Southampton – Rod Figg

- Operate the container terminal at the port and see on average 75 trucks per hour. With peak times at 1pm-4pm these differ from the usual commuting traffic.
- 36% of containers move inland by rail. In 2007 this figure was 28% - equivalent to 80,000 less trucks on the roads. DPWS are keen to develop the rail as it has less impact on the environment. Customers choose how they would like their goods transports (HGV or rail).
- Freightliner has invested in new cranes and are looking at trials with straddle carriers supported by SCC. Hybrid carriers in the past have not been economically viable.
- Ship companies are investing in bigger and more fuel efficient ships – 50% of the volume imported/ exported is carried out by large ships less than 2 years old.
- Sulphur Emission Control Areas (SECA) are introducing stricter guidelines throughout the English Channel. Marine gas oil has less polluting factors.
- Southampton is visited by cleaner vehicles as the Low Emission Zones in London are having a knock on affect.
- Have previous explored ship-to-shore power, but it was not possible because there is no standards. Meaning that there is no one specific connector – there is no clear solution and it is not likely to happen in the near future.
- Vehicle Booking System- Hauliers book a time slot for loading/ unloading. If a vehicle is not booked in them they cannot deliver/ unload.
- When vehicles arrive early at Dock Gate 20, drivers can phone/ go online to see if there are early appointments available but the onus is very much on the driver to be proactive.
- Idling Zones – HGV drivers are strictly monitored by the haulage companies – as it is not economically viable to leave engines running. It could be a perception that vehicles are idling when queuing.
- HGV parking outside docks waiting is an issue – need an alternative to park. Space is limited on the perimeter of the docks.
- In principle, DPWS are keen to support SCC in a bid for ‘Ultra-low Emission Status’ – this would need further exploration in the future.
- The support of community projects, or possible funding of Air Quality Monitoring Stations would need further exploration and would need to be viable for the business.
- Howard Tenens are working on the LNG (Liquid Nitrogen Gas) for HGVs.

Bus companies

Managing Director, Go South Coast (Blue Star and Uni Link) - Andrew Wickham

- Vehicle engine emission standards are becoming stricter. Euro VI will be introduced in the near future. Go South Coast (GSC) fleet currently has Euro

III (62%), Euro IV (6%) and Euro V (32%), this will soon be improved so that 60% meet the Euro V standard.

- GSC are aiming for all of its fleet to meet the new Euro VI standard by end of 2015.
- Newer buses are more efficient and environmentally friendly, they release significantly less harmful pollutants (NOx and PM).
- GSC invest in approximately 50 new buses a year – costing £10m. In 2013/14 Southampton received 35 new buses.
- Gyrodrive hybrid project (fly-wheel technology) – 37 Buses in city to receive technology, focusing on older buses first, first buses soon to be introduced. Total cost of project £1,265,400 (50% GSC, 45% Dept of Transport) and 5% SCC. GSC recognised the good work that SCC has contributed.
- Technology pioneered by Williams F1 Team, buses fitted with new technology are better on fuel consumption when carrying more passengers. The technology works by receiving energy through the bus braking and the energy is then redistributed back into accelerating.
- Telematics fitted to all of Southampton fleet. Staff apprehensive at first but now fully supported by staff and the Unions. Staff recognise the importance of saving on fuel and creates healthy competition between drivers. Since the introduction of the Telematics system GSC have recognised a 3.8% fuel saving.
- Fleet shut down after idling for approx. 4-5mins. This could be programmed to be less time, however this would not be practical.
- Fleet use 10% bio fuel mix and are maintained every 28 days, this includes a calibrated emissions check.
- Introduced a variety of changes to encourage more bus use. These include online ticket sales, a mobile ticket app and inter available ticketing (Solent travel card).
- Have been innovative in the way they attract their customers and they have seen a 7% passenger growth in the past year. GSC has seen a 23% reduction in CO2 per passenger journey since 2008 (for the wider GSC area-not exclusive to Southampton).
- More bus use and less car use is essential. A city centre is good business for buses. Shopping centres based out of the city are not.
- The cheaper the car parking, the less likely people are to use buses.
- There is a need to keep buses moving. Bus lanes and priority at junctions are welcomed.

Managing Director, First Hampshire, Dorset and Berkshire – Marc Reddy

- 111 buses covering Southampton, employing 265 staff and new £14 purpose build depot in Southampton.
- Major investment in fleet – within past two years all meet Euro V engine emission standards. 18 are micro hybrid buses (breaking regenerative energy), and 10 more being introduced soon (subject to Clean Vehicle Technology Fund).
- All buses are fit with free passenger Wi-Fi and have efficient internal LED lighting.
- Average fleet age is 5.6 years, which is better than the Government target (8%).

- Various products created to encourage more bus use, Mobile ticketing, Smartcard and a simplified fare structure has been launched.
 - Have increase frequencies in areas where demand has risen (Millbrook, Townhill Park, Thornhill and Weston).
 - New 'Drive Green' technology assists drivers in improving their driving using a traffic light type system. Drivers get a score at the end of each shift and can see where improvements can be made. This improves driving standards and the Managing Director receives a fleet idling report every week.
 - Each bus seats a minimum of 37 people, could result in 30-37 cars off the road.
 - Partnership working is key and have a good working relationship with SCC.
 - The Council could help by restricting certain types of land use – for example 'pop-up car parks' that appear across the city on land waiting to be developed. These are not helpful as they undermine Council car parks and bus companies.
 - Research has proven that bus users spend money in retail – but these are smaller more frequent spends as opposed to their car driving counterparts who would visit the centre less frequently.
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- Both Go South and First Hampshire have no plans to introduce electric powered buses any time soon. There are queries around charging and the range. However, there are experiments happening in York.
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- In principle, both bus companies are keen to support SCC in a bid for 'Ultra-low Emission City status' – this would need further exploration in the future.

Conclusions from meeting:

- It is evident that there are already good effective working relationships between SCC and the Ports and bus companies this has resulted in attracting funding to fund innovative projects/ technologies.
- The Port of Southampton have a high turnover of vehicles visiting the port where their new Vehicle Booking System is helping manage the flow of vehicles. DPWS are keen to develop the rail routes which has already seen an increase in goods moving inland via rail. Shipping companies are investing in newer cleaner ships.
- It is clear that buses serving Southampton are benefiting from advancing technologies aimed at reducing emissions which as a result will have a better overall impact on air quality in the city. Bus companies are constantly improving their fleet and are focused on giving customers good customer service and giving value for money – all of which aims to drive more people to use buses.
- In principle, DPWS, Go South Coast and First Hampshire, Dorset and Berkshire are keen to support SCC in submitting a bid for Ultra-Low Emission City status.

Scrutiny Panel – Air Quality

Inquiry Meeting – 20 November 2014

Summary of information provided:

1. Local Sustainable Transport Fund Programme Manager (LSTF), SCC - Neil Tuck

- LSTF have two funds: - A Better Connected South Hampshire (Lead Solent Transport) - £24.17M with match funding and Southampton Sustainable Travel City (Lead SCC) – £7.28M with match funding.
- MyJourney is a smarter travel campaign with friendly and simple branding to encourage local residents cycle, walk or use public transport more often to benefit their health and the environment and reduce local congestion.
- Evidence based programme using MOSAIC data with an overall aim to increase modal shift by 12%.
- Projects include free bus passes to help young people attend interviews. 44% are now in employment.
- Legible networks project - consistent approach across city using easy to navigate signage and information to promote walking and public transport use.
- Sustainable Distribution Centre project is also part of the programme.
- Sky Ride is a popular annual event, with 30 local guided road tours over summer.
- Work ongoing with Sustrans and The University of Southampton and having dialogue with Travel Plan.

2. Scientific Service, Team Leader, SCC – Steve Guppy

- The Government plan to reach an ultra-low emission vehicle (ULEV) majority by 2050 and have announced a £200M minimum commitment to promote ULEV's over the next 5 years.
- £35M to be made available to 2-4 cities that commit and agree to a step change in ULEV adoption.
- Local air quality will be important when evaluating bids.
- Any bids would need to show real ambition and innovation – potential to become international exemplars and suggested measures could include a ULEV car club, infrastructure for residents and fleet improvements.
- Further details to be announced imminently.

3. Summary of evidence from round table discussion with officers from: -

- **Waste, Fleet and Sustainability Manager, SCC – Colin Rowland**
- **Planning Policy Group Leader, SCC – Graham Tuck**
- **Scientific Service, Team Leader, SCC – Steve Guppy**
- **Local Sustainable Transport Fund Programme Manager, SCC -Neil Tuck**
- **Principle Transport Planner, Solent Transport – Philip Marshall**

Fleet

- The Fleet Management Service (FMS) source vehicles for business units across the council for their required use (i.e. Housing)
- It would be ideal if the FMS could, when sourcing vehicles, give more opportunity for advancing technologies.
- The Council spends over £1M a year on fuel costs.
- The Fleet Management Service are developing a strategy for Fleet.
- Currently the council have one electric vehicle in its fleet – difficulties in implementing the use of vehicles – as requires installing charging points (infrastructure), resource needed to manage bookings and to upscale would need resources.
- New Light Good Vehicles and refuse vehicles are fitted with driver monitoring. Equipment – though not yet switched on – ongoing discussions with Unions. Dialogue needed and is a debate to be had corporately presenting a business case with options.
- Eco-Driver training programme is available for staff who drive SCC vehicles through the My Journey programme – however this is voluntary and is promoted via managers.

Sustainability

- Thornhill District Heating scheme will allow residents to save money on their current energy costs.

Planning

Planning Policy can potentially help to improve air quality in two ways:

- By reducing emissions: Reducing vehicular traffic / encouraging the use of public transport, walking and cycling; by guiding patterns of development, and including policies to support travel plans and appropriate provision for low emission vehicles
- By mitigating emissions: This would include 'on site' measures such as building layout and aspect, ventilation and types of building material; and 'off site' measures such as landscaping and green infrastructure.
- *Site specific measures* - involve detailed discussions on the design of buildings, the use of planning conditions and 's106' developer contributions. Process of negotiation to determine what is viable, practical and appropriate (eg in design terms) on a specific site. The Local Plan would not set detailed requirements (eg for a particular type of material), as this may vary from case to case. However the Local Plan should set an overall policy requirement to mitigate the effects of air quality to an appropriate level, and could list a variety of ways in which this could be done.
- *Offsite measures* - The Council has set a Community Infrastructure Levy (CIL) whereby residential developers make a contribution of £70 / sq m to fund strategic city wide infrastructure. This rate cannot be varied in the short to medium term and so the Council must determine its spending priorities within this. The Council must also spend the CIL in accordance with a list of types of infrastructure it has specified. However, the existing rate is forecast to generate significant funding over the medium to longer term; the Council can change its list within this rate as it wishes; and in any case the current list

already includes the key strategic measures which would benefit air quality: transport measures and green infrastructure.

- Imminent review of the Local Plan – provides an opportunity to update and strengthen the policies to address air quality.
- Green Space Factor - designed to calculate the 'greenness' of a site.

Air Alert

- Southamptons Air Alert Service is currently funded by Defra until 2016.
- Neighbouring Local Authorities have approached their Public Health colleagues to seek support in funding such schemes.

Conclusions from meeting:

- There is an opportunity on the horizon for Southampton to show its commitment to improving local air quality through submitting a bid to the government's Ultra-low city scheme.
- There are some synergies across departments at Southampton City Council when aiming to reduce emissions and improve air quality. However, it is clear there are more opportunities to raise the profile of air quality even further in council decision making and ensure it is afforded sufficient priority to assist effective cross-departmental working.

Inquiry Meeting – 18 December 2014

Summary of information provided:

Managing Consultant, Ricardo-AEA –Dr Beth Conlan

Low Emission Zone (LEZ) Feasibility Study, Western Approach, Southampton

- Defra encouraged LA's to examine LEZ and Low Emission Strategy's (LES).
- The study looked at 3 possible LEZ scenarios and also a LES.
- Similar studies have been undertaken in other LA areas, though Southampton is slightly different because of its Port activity – dual emissions identified (port and road traffic).
- The study was an economic assessment based on generic government costs which give a way to estimate the damage costs (economic health impact e.g. costs to NHS). In a 'do nothing' scenario it is thought Southampton would comply with targets by 2019.
- There are a number of LEZ models e.g. London model is enforced by cameras – vehicles must be registered. Germany have a national LEZ standard – all cities have to comply to the 'sticker – scheme' model. The UK does not have a national framework.
- A successful LEZ scheme could present costs to the council.
- A LES is an effective route to improve air quality – which could include a number of measures and policies.

Other points from discussion:-

- Bradford Metropolitan District Council is at the forefront of planning guidance for new developments and air quality.
- Oxford limit their LEZ to buses – though in Southampton there is not one outstanding source to target.
- York City Council are advancing with their Low Emission Strategy.
- Southampton is good at the review and assessment process of air quality information. It is clear where the hotspots are and what the sources are and are good at applying for grant funding.
- Speed limits – do have an impact on air quality, though lowering speed limits could have a negative impact.
- New, cleaner, greener fleet? – Bus Quality Partnership have a voluntary scheme – though no national policy regulating buses or HGVs.
- Understanding has increased around green infrastructure. It is clear it can act as a physical barrier and certain species of trees are better for improving air quality –this is not the only answer to improving air quality – need to lower the emissions coming out of vehicle tail pipes.
- Potential for Section 106 funds could support the work within an LES.
- Petrol hybrid vehicles lower NOx and LPG is also an attractive way forward.
- Target cars in LES – incorporate a public campaign to inform residents what vehicles are best to improve air quality etc.
- Ultra- Low Emission City Status? – Partnership is key. Also working with own economic and regeneration team to ensure council 'buy-in' is also fundamental.

- Tackling key sources of emissions from HGVs, Port activity and buses should be a focus for Southampton.
- Focus on partnership working with Public Health colleagues to build relationships internally to allow the message of improving air quality to be communicated effectively.

Conclusions from meeting:

- In conclusion Southampton is recognised as being good at reviewing and assessing air quality information. It is also recognised as having an awareness of its pollution hotspots. In addition, Southampton has a proven track record at applying for grant funding – funding new initiatives aimed at improving air quality.
- A well designed and successful Low Emission Zone could result in costs to the council. A Low Emission Strategy would be an effective way to influence and drive forward city wide policies to improving air quality.
- Finally, focusing on lowering emissions from tailpipes is key and partnership working would be important in a bid for Ultra-Low City Status.

Scrutiny Panel – Air Quality

Inquiry Meeting – 22 January 2015

Summary of Witten information provided:

Deputy Environment Manager, Carnival UK (CUK) –David Smith

- CUK are committed to reducing its environmental footprint and recognise ships visiting the city contribute to the city's economy.
- Exhaust gas cleaner being fitted to many ships – low sulphur or cleaner fuel is used – Southampton is covered by the North Sea Emission Control Area limiting amount of sulphur used in fuel.
- Recently conducted reviews into the use of LNG for ships in port (shore power) as this would be an obvious scheme to help reduce a ships emissions whilst in port.
- Operate an active car share scheme for staff and an accredited cycle to work scheme – offer season ticket loans for staff to encourage use of public transport.
- Meachers Global Logistics provide consolidated ship deliveries on turn around days to reduce number of delivery vehicle movements.
- Will continue to roll out scrubber technologies and Ship Energy Efficiency Management Plans (SEEMP) – to reduce on board energy demands i.e. changing to LED bulbs.
- Dialogue with SCC exists through a forum and in principle would support Ultra-Low Emission City bid.
- Incentive driven car share schemes and encouraging drivers to use public transport and cycle (by improving cycle links) would all help improve air quality in the city.
- Reduce idling time by improving traffic flow – especially out of major dock gates out to M271.

Corporate Responsibility and Sustainability Communications Department, Royal Caribbean Cruises Limited (RCCL) – Tavia Robb

- RCCL ships have been calling at Southampton since 1997.
- In 2015 summer season – 3 RCCL ships will homeport in Southampton.
- Since 2005 progress has been made to reduce overall emissions across fleet. Newer ships are 30-40% more efficient than before 2005.
- Plan to install Advance Emissions Purification (AEP) system (scrubber) technology on Celebrity Eclipse as part of major retrofit programme to 19 ships (between 2015-2017).
- Scrubber technologies remove over 97% of sulphur dioxide emissions generated by a ships diesel engine.
- Operate a 100% waste-repurposing initiative – all solid operational waste offloaded in Southampton is recycled, reused, donated or converted to energy.
- LNG would be beneficial to harbour craft and ferries.

- The use of public transport, coaches, park and ride facilities should be explored and promoted as alternative ways to start/ end cruise experiences.
- At this moment in time not all ships are equipped to use shore-power.
- Shore Power source must be largely emission free – i.e. wind power or thermal power.

Environment Manager, Freightliner Group - Hans Clemens

- Main transport to and from Port is rail – decreasing the number of lorries on the road and scoring 3 – 6 times better than HGVs.
- Freightliner deliver Eco-driving training for train drivers and lorry drivers
- Freightliner operates a 30 min idling policy on its diesel freight trains – policy dated 2007 – and enforced by local terminal manager and Winterisation Policy supersedes.
- Reduced idling is in the interest of Freightliner – reduces footprint on environment and keeps fuel costs down.
- HGV fleet have Euro 5 engines.
- Corporate Social Responsibility Policy highlights their commitment to promote employee wellbeing and support to charities and communities.

Stakeholder Manager, South West Trains – Phil Dominey

- Ongoing trial for new diesel transmission system on one diesel unit – hoped to save 10% on fuel consumption, resulting a reduction on emissions.
- Trains use low sulphur diesel which are appropriately maintained – not practical to shut engines down for stopovers less than 10 minutes – engines shut down after 15 minutes.
- 2015 will see the introduction of the Drivers Advisory System – advises drivers recommended speed to travel.
- Other companies such as First Great Western and Cross Country also operate routes through Southampton.
- There are longer term proposals to electrify the route from Southampton to Midlands allowing freight trains to use electric trains.

Southampton Test MP & Member of House of Commons Environmental Audit Committee - Dr Alan Whitehead MP

- House of Commons Environmental Audit Committee (EAC): Action on Air Quality report has now been published.
- Transport for London state that diesel vehicles produce 22 times as much PM and four times as much NOx as their petrol counterparts.
- Particulate traps on diesel vehicles help reduce pollutants.
- Personal Air Quality monitoring exercise measured black carbon pollution concentrations – journeys on the London Underground and taxi ride in London showed higher pollution levels.
- Many German ports use Shore Power technology – does require ship based technologies but is not useable in Southampton because of lack of equipment Port side.

- If firms and companies were to divert from using diesel main or standby generators this could help improve air quality.
- The effectiveness of Low Emission Zones depends upon limits and conditions put on their implementation.

Conclusions from meeting:

- In conclusion, it can be said that Southampton is benefiting from greener cruise ships visiting its Port. Advancing technologies on board now and those planned will continue to help improve a ships impact on its environment. The city's distribution centre is being utilised for ship deliveries and it has been recognised that shore power would be an obvious scheme to help reduce a ships emissions whilst in port.
- Rail operators impose idling times on their trains aimed at reducing fuel costs, minimising impact on the environment with further eco-trials pending. With long term proposals to electrify the route from Southampton to the midlands this could allow freight trains to use electric trains in this area.

1. Why is this issue important?

Air pollution is a significant health issue for Southampton City, disproportionately affecting our most vulnerable members of society. European legislation sets out a number of requirements to control outdoor levels of pollutants and Local Authorities have a responsibility under Local Air Quality Management legislation to review air quality. Southampton currently has ten Air Quality Management Areas declared, each one as a result of the annual mean for nitrogen dioxide (NO₂) exceeding the limit value of 40 µg/m³.

1.1 What is air pollution and what is its effect on health?

In UK Cities, air pollutants are mainly products of motor vehicle traffic combustion especially from diesel vehicles. Pollutants known to have effects on health are particles, sulphur dioxide, oxides of nitrogen, carbon monoxide and ozone. In a good state of health, short term exposure to moderate levels of air pollution is unlikely to have any serious short term effects. Short term exposure to high levels of air pollutants can cause a range of adverse effects such as exacerbations of asthma, effects on lung function and consequent increases in hospital admissions for respiratory and cardiovascular conditions¹.

Long term exposure to air pollution does increase the risk of deaths from cardiovascular and respiratory conditions, including lung cancer and existing lung and heart conditions. Chronic effects can be triggers of new disease, worsen severity of disease through increase in symptoms or accelerate progression of disease over time. Children, the elderly and people with lung or heart conditions are more susceptible to the health effects of air pollution. People with coronary artery disease are at greater risk of being affected by air pollution, especially particles, than people without such disease. Coronary artery disease, which can remain undetected, is common in older people¹.

Evidence of the long term effects of air pollution are most closely associated with levels of fine particulate matter (PM2.5). Just 18 µg/m³ PM2.5 could be responsible for an average loss of life expectancy from birth of around 2-20 months (average of 7-8 months). This compares to an estimate of around 7 years if all the population were smokers (Department of Health 2001). There is no evidence for a threshold below which health effects would not be expected. For NO₂, studies have shown that both day to day variations and long term exposure to NO₂ are associated with mortality and morbidity.

The public health benefit of a 1µg/m³ reduction in national average PM2.5 concentration is estimated as being an increase in average life-expectancy of around 20 days (range 3 to 40 days)². It is likely that, compared with factors affecting individuals such as smoking, diet and lack of exercise, air pollution has a health impact similar to that of passive smoking. Department of Transport

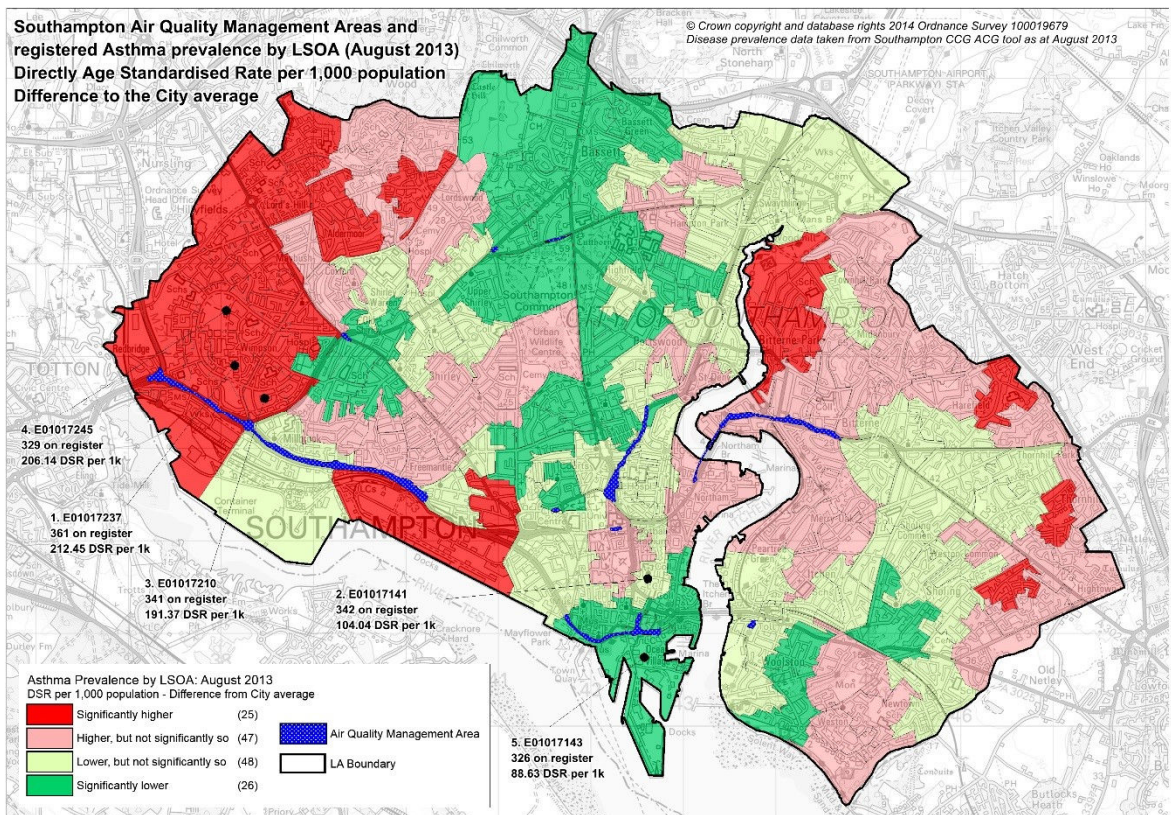
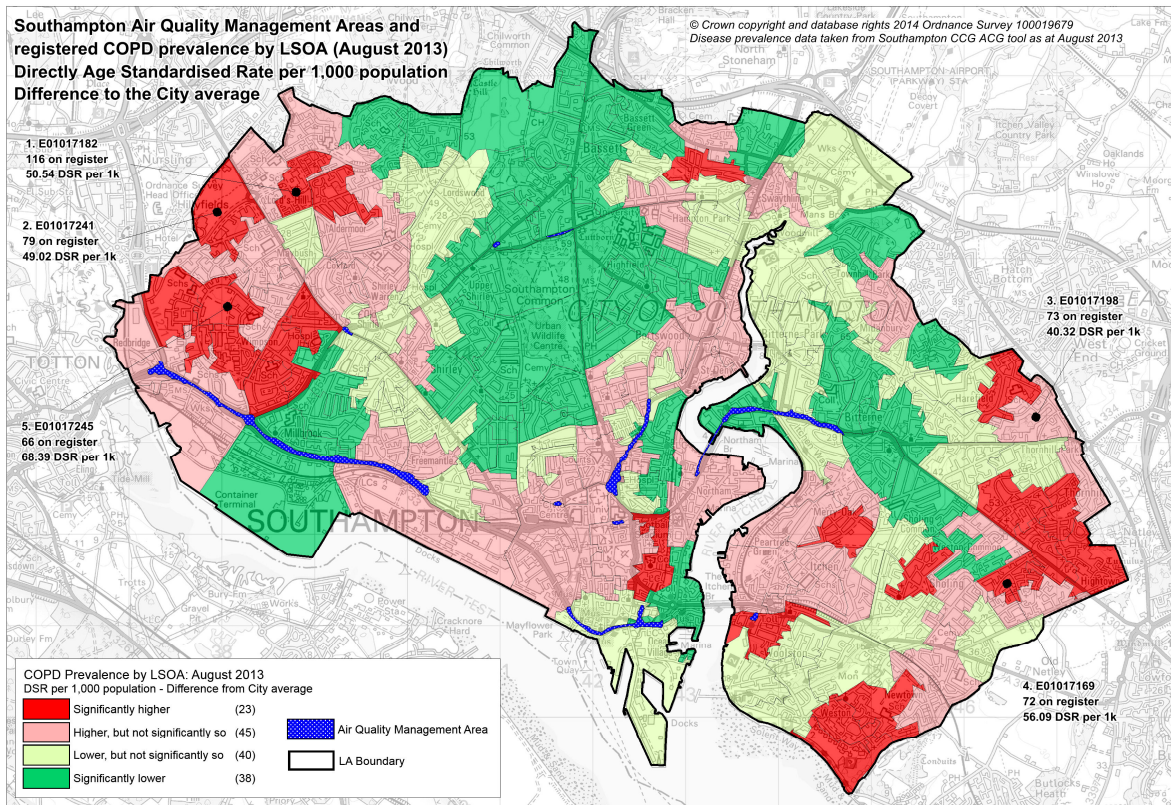
estimate that health impact from motorised transport for the UK is estimated at £10 billion. The cost to Southampton is estimated at £50 million.

What is the situation in our City?

Modelled estimates of mortality attributable to long term exposure to air pollution i.e. annual average concentrations of fine particulate matter (PM2.5) have been published by Public Health England³. These suggests that 6.2% of deaths in 2010 were attributable to air pollution, with long-term exposure contributing 110 deaths amongst those aged 25 years and over and 1,280 life years lost.

Since 2010, Southampton's estimated fraction of mortality attributable to particulate air pollution has declined, from 6.2% to 5.7%. This is in line with a national decrease. 2012 figures show that Southampton's fraction of mortality attributable to particulate air pollution is worse than both the England and South East average of 5.1%. Local cities are also rated better than Southampton, for example Portsmouth 5.3%, Brighton and Hove 5.0%, Oxfordshire 5.1% Bristol 5.2% and Bournemouth 4.1%.

Mapping of Chronic Obstructive Pulmonary Disease hospital admissions, asthma hospital admissions and cardiovascular hospital admissions against air quality management areas in Southampton City show close correlation. Those areas in Southampton with the highest pollution levels are also areas where hospital admissions for these indications are highest. These are also areas of significant deprivation and where we would expect health outcomes to be worse. As previously described, air pollution exacerbates pre-existing conditions. Mapping of Chronic Obstructive Pulmonary Disease and asthma prevalence against air quality management areas also shows some degree of correlation (see below). Opportunities to monitor air quality in areas where respiratory disease prevalence is high would be of benefit.



What can be done?

Public Health England has offered proposals on ways that Local Authorities can improve air quality¹, these are:

- Encouraging schemes like ECOSTARS that recognises excellent levels of environmental and energy saving performance for vehicles that operate within their area
- Introducing intelligent transport systems that maximise efficiency of the highway network and also provide real time information to enable better informed travel choices
- Incorporating air quality into planning considerations for new developments and refurbishments
- Promoting energy efficient and sustainable transport to residents and businesses

What have we done locally?

Work has already been undertaken within the City to raise awareness when air pollution levels are high. The air alert service enables people who are more vulnerable to air pollution to manage the health impact in the event of high pollution levels. This service is free and open to all. There are currently 201 subscribers and 96 air alerts have been issued since June 2010. City air quality actions have focused on transport related projects to improve the efficiency of the road network and reduce congestion.

Recent findings from a study of the City's Western approach suggest that emissions from road transport are the most significant contributor, however emissions from the Port are far more significant than previously understood. A City wide Low Emission Strategy (LES) is being developed. A working group from departments across the council has been established to promote the delivery of existing initiatives and identify new ones. A City-wide emission reduction strategy will be developed for passenger cars, freight, buses and taxis.

What more can we do?

Air pollution is one of a number of risks for heart and lung disease. Stopping smoking has the largest impact on preventing risk and nearly one quarter of people within Southampton still smoke. Increased walking and cycling, and consequent reduced car travel, would not only reduce risk through reduction in air pollution, it would also benefit health through people being more physically active. Reducing road traffic would also reduce the number of road traffic accidents. There were 387 people 'killed and seriously injured on roads' from 2010-2012 (i.e. average of 129 per year) in Southampton City.

Southampton has adopted recommendations from the national Active Travel Strategy published by the Department for Transport and Department of Health through its 'My Journey' initiatives. As an example, 100% of schools in Southampton have school travel plans in place, aided by 'My Journey' including the development of STARS and Bike It programmes. This enables schools to encourage children and their parents to cycle or walk to school instead of driving.

The council's 'Cycle to Prosperity' scheme hopes to increase cycling levels in the population from 3% to 18% within 10 years. A 10 year cycling strategy has been produced in association with Sustrans to increase the provisions for cyclists throughout the city and make it safer to cycle. Cleaner buses are being introduced into Southampton and the city was awarded £632,700 from the Clean Bus Technology Fund to fund 37 buses with Flywheel technology, which will reduce pollution levels coming from buses.

A local Air Quality Scrutiny Inquiry is currently ongoing. Council led approaches and public health impact described above were highlighted as an important part of the Inquiry. In addition, representatives from the Port described the benefits of their vehicle booking system in reducing the number of vehicles entering the Port at unspecified times, the increasing number of containers carried by rail rather than road and trailing of new compressed gas powered straddle carriers. DP world emission targets are driving these initiatives.

The Inquiry has also considered planning decisions. The Local Plan Review policy states that planning permission will be refused: (i) where the effect of the proposal would contribute significantly to the exceedance of the National Air Quality Strategy Standards; or (ii) where the proposal would be materially affected by existing and continuous poor air quality. The Inquiry heard that as part of the planned LES and proposed local plan review, consideration will be given to introduce local guidance that will support the protection of public health. This will include promotion of best practice to mitigate risk and attribution of a damage cost to proposals that increase emission loads.

A residents survey undertaken in August 2014 on air quality showed that air quality is important to Southampton residents (298 responses from across the City). 44% respondents felt that cars are the main contributor to air quality, with HGVs (20%) second most common response and industry (10%) and shipping/ ports (10%) third most common. 59% of 294 respondents felt air quality in the city has worsened in recent years, whereas in contrast 4% felt it had improved. Suggestions for improvement included better public transport, park and ride, improving cycling routes, lowering speed limits, planting more trees, having a low emission zone and redirecting and restricting HGVs.

Recommendations

1. Need for joined up strategic intent on combating air pollution, sustainable development and encouraging people to walk and cycle. The Low Emission Strategy should provide the direction for this vision and be governed by the Health & Wellbeing Board.
2. Support the promotion of low emission vehicles within and around the City boundaries via the Low Emission Strategy and contribution to funding opportunities.
3. Develop stronger links with planning to ensure public health implications are considered in decision-making; providing contribution to the proposed local plan review.
4. Improve the public awareness, a clearer Council webpage should inform on progress since the last Air Quality Action Plan. Stronger promotion of Council's efforts in a more 'public friendly' way to tackle air pollution

References

1. Department for Environment, Food and Rural Affairs briefing. Air quality: Public Health Impacts and Local Actions: [http://laqm.defra.gov.uk/documents/air_quality_note_v7a-\(3\).pdf](http://laqm.defra.gov.uk/documents/air_quality_note_v7a-(3).pdf)
2. The mortality effects of long-term exposure to particulate air pollution in the United Kingdom. A report by the Committee on Medical Effects of Air Pollutants 2010: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/304641/OMEAP_mortality_effects_of_long_term_exposure.pdf
3. <https://www.gov.uk/government/news/estimates-of-mortality-in-local-authority-areas-associated-with-air-pollution>

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Air Quality Inquiry - Conclusions and Recommendations

Conclusions

1. After consideration of the evidence presented to them the Panel have reached the following conclusions:
 - Air quality is a significant issue in Southampton that has a detrimental impact on health and wellbeing and the environment.
 - A lot of good practice and innovative approaches have been employed in Southampton to address air pollution.
 - Despite technological advances and good practice it is likely that with increased traffic levels, population growth and economic development, including increased activity within the Port, air quality will remain a significant problem in Southampton with associated health and environmental impacts unless more is done to tackle the issue.
 - Southampton can and must do more, taking advantage of the opportunities available, to improve air quality in the city.

Recommendations

2. The Panel have identified a number of recommendations that they believe will, if fully implemented, help reduce harmful air pollution in Southampton and limit the impact on vulnerable members of society. The recommendations have been categorised under the following headings:
 - Building on success – Ambition and vision
 - Leading by example
 - Traffic
 - Partnership working
 - Communication

Building on success – Ambition and vision

3. This report outlines a few of the numerous measures that have been employed or are planned to reduce emissions in Southampton. The city needs to build on the successes, deliver the proposed improvements and collectively be more ambitious, seeking funding opportunities where available to achieve the vision of a low emissions city. In support of this the following recommendations are proposed:
 - In recognition that road vehicles are the primary source of NO₂ emissions and particulate matter in the city the Panel recognised the importance of encouraging behaviour change towards healthier and more environmentally friendly alternatives. The Panel therefore recommend that:
 - (i) ***The Council continues to fully support modal shift initiatives through the My Journey campaign and related initiatives encouraging people to use alternative modes of transport.***

- The Panel reviewed the evidence related to interventions which might be effective in achieving the limit value for NO₂. The Panel agreed that the Low Emission Zone was at this stage not the preferred option and recommend that:
 - (ii) ***The Council, learning from best practice, develops a Low Emissions Strategy that articulates the vision for a low emissions city and provides strategic focus to the promotion of low emission technologies and improving air quality across Southampton. This should be overseen by the Health and Wellbeing Board.***
- Funding opportunities are available to areas that have a track record in delivering agreed outcomes and have ambition and vision that supports lowering emissions. Southampton has been successful in securing external funding and, supported by a developing Low Emissions Strategy, should continue to seek grant funding, matched by council resources if required. Therefore, following the canvassing of support from key partners during the inquiry, the Panel recommend that:
 - (iii) ***The Council is to continue to seek funding opportunities and submit bids reflecting commitment to a step change in adopting ultra-low emission vehicles, alternative fuels and technologies that will be delivered alongside sustainable transport choices.***
- Evidence to the Panel suggested that the cheapest yet most effective measures for combatting pollutants in the air was by green infrastructure. Southampton should consider a tree planting project similar to what is being undertaken in [Bristol](#), where every primary school child (36,000) has the chance to plant a tree in their city.

Funding could be explored, and would help alleviate air pollution levels but also give the city a great legacy. Our youngest citizens would learn about the importance of wildlife but also have a physical link to a personal piece of Southampton.

A less ambitious (and cheaper) option would be to start a tree planting project around Air Quality Management Areas and schools located near these. The Council could source European funding or other funding opportunities.

 - (iv) ***The City Council adopts an ambitious green infrastructure planting programme, which is tied in with primary schools to teach children the importance of their environment.***
 - (v) ***The Councils Tree Team are to prioritise the re-planting/ planting of trees and other green infrastructure which are known for their pollutant absorbing capabilities.***

Leading by example

4. Local authorities have an important role to play in helping to improve air quality. The Panel recognise the strong working relationships between different council services but consider that opportunities exist for the council to lead by example and ensure that reducing emissions is at the forefront of council decision making. It is therefore recommended that:

(vi) The Council ensures that the aims and objectives within the developing Low Emissions Strategy permeates into the decision making processes so that all relevant plans, policies and strategies give due consideration to air quality.

- Planning Policy can help to improve air quality by reducing emissions through guiding patterns of development to locations served by public transport, and by mitigating emissions through 'on site' measures such as building layout, ventilation and types of building material; and 'off site' measures such as landscaping and green infrastructure. The Panel were informed of the approach followed by Bradford MDC where planning policy is a key component of their Low Emission Strategy and of examples of 'green landscaping' that can help improve air quality with little expenditure. To ensure that planning policy supports and drives reducing emissions in Southampton it is recommended that:

(vii) The Council use the review of the Local Plan and the development of the Low Emissions Strategy to evaluate how planning policy can be more effective at reducing and mitigating emissions. To include working with Council's Tree Team, the Woodland Trust and others to identify preferred species of trees to absorb pollution, and with developers and partners to prioritise green infrastructure especially near pollution hotspots and green routes.

- The Council's Fleet Management Service sources vehicles for business units across the Council and spends more than £1m annually on fuel. To reduce fuel consumption and emissions the Panel recommends that:

(viii) The Council follows the lead set by the bus companies and implements the driver monitoring equipment fitted to any light goods and refuse vehicles and recognises drivers who drive efficiently. This is to happen as soon as possible.

(ix) Eco-Driver training is made mandatory for all employees who drive Council vehicles and existing staff members are to be trained as soon as possible.

(x) The impact on air quality is factored into the procurement decisions made by Fleet Management Services and the council looks at sourcing ultra-low emission Electric/ Hybrid Vehicles and retrofitting existing petrol and especially diesel vehicles with low-

emission technologies. The default position being an ultra-low emission vehicle unless a business case shows otherwise.

- As the report highlights electric vehicle provision is pretty woeful in the council, both in the respect of internal adoption (fleet operations) and encouraging our residents to consider this option as opposed to polluting diesels and petrol. The public health benefits of Electric car ownership benefit everybody in the city with zero exhaust emissions from the car. The Council should recognise the current high cost of Electric Vehicles and help adoption by granting 2 hour free on street car parking throughout the city. This could easily be adopted by issuing a special coloured parking disk which would have to be displayed:
- (xi) ***To help encourage the adoption of zero emission vehicles in the city the Council should offer free 2 hour on-street parking to vehicles which emit zero emissions i.e. electric vehicles.***

Traffic

5. As a general rule vehicles in free flowing traffic emit less pollution than those in stop-start traffic jams. To improve the flow of traffic in the city the Panel recommend that the Council:
- (xii) ***Ensure that air quality is given due consideration during the current review of the ITS Strategy, (delivered by the Integrated Transport Board). As well as optimising traffic movements, traffic light signal plans, speed limits (including 20mph in areas where stop-start traffic is a problem) and other traffic management applications should be used to deliver improvements in air quality wherever possible.***
- (xiii) ***Re-evaluates the potential for Park and Ride sites for the city, factoring the public health costs of air pollution into the decision making process. To investigate with partners the ability to develop future sites through the Local Plan process identifying potential capital funding sources as well as commercially viable operation through partnerships with transport operators.***
- (xiv) ***Prioritise the re-surfacing of cycle routes across the city, starting with main commuting routes, making cycling safer and more appealing through the revision of the Transport Assets Management Plan (TAMP) including seeking external funding to increase the scale and viability of such a programme. Consulting with cycling groups on new and existing routes.***
- (xv) ***Seek to influence the idling policies of key transport operators within the city, including port activity, trains, buses, taxis and HGVs, to minimise emissions caused by engines idling.***

Partnership Working

6. It is clear the city has benefited from additional funding as a result of good partnership working taking place across the city between the Council and other key stakeholders including ABP, DWP and bus companies. Evidence presented to the Panel highlighted the need to focus on port activities to reduce emissions from actions such as ship hotelling, identified as a major polluter in the Ricardo-AEA Western Docks study. The Panel were informed that ports in Germany and California use shore power technology to power ships when in port, thereby removing the emissions caused by ship generators. The Panel recommend that:

(xvi) The Council work in partnership with key stakeholders to assess the feasibility and eventual introduction of shore power technology at the Port of Southampton.

(xvii) The Council is to, with support from other Port cities, write to the MPs of the City and the DfT to encourage the adoption of shore power across the UK.

- Use of the Sustainable Distribution Centre can reduce the number HGVs coming into the city, relieve congestion and lower emissions. It is recommended that:

(xviii) The Council encourages partners to make greater use of the Sustainable Distribution Centre.

Communications

7. The results of the Air Quality survey demonstrated that people are interested in receiving information on air quality in the city. The Air Alert service enables people who are more vulnerable to air pollution to receive alerts when pollution levels are high in Southampton. Currently there are 201 subscribers to this free service and 75% of subscribers felt that the service improves their wellbeing. However, funding from DEFRA for this service is due to cease in 2016. The Panel recommend that:

(xix) The Council explore opportunities to integrate the Air Alert service with other information/messaging and health alert services, such as cold and heat alerts, and consider how user friendly air quality information can be communicated to a wider audience through existing channels such as Stay Connected.

(xx) The Council looks at innovative ways to measure air quality across the city.

8. Finally, Members of the Panel recognise that whilst the Council has an important role to play in improving quality in the city, it is clear this cannot be done in isolation. A change of mind-set for all is needed.

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Agenda Item 9

DECISION-MAKER:		CABINET	
SUBJECT:		COMMUNITY ASSET TRANSFER STRATEGY: PROGRESS AND REVIEW	
DATE OF DECISION:		21 APRIL 2015	
REPORT OF:		CABINET MEMBER FOR COMMUNITIES	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Vanessa Shahani	Tel: 023 8083 2599
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	E-mail:	suki.sitaram@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
This report recommends approval for revisions to the Council's Community Asset Transfer Strategy, application process and approval for delegated authority to transfer four buildings at less than Best Consideration. It also provides an update on progress of transferring community centres and community buildings.			
RECOMMENDATIONS:			
	(i)	To approve the recommended changes to the Community Asset Transfer Strategy, attached at Appendix 1, to: <ul style="list-style-type: none"> • Streamline the application process • Give existing tenants first refusal. 	
	(ii)	To delegate authority to the Assistant Chief Executive to make any minor or consequential amendments and/or refinements to the process as may arise from time to time.	
	(iii)	To delegate authority to the Assistant Chief Executive, following consultation with the Cabinet Members for Communities and Resources and the Head of Property to transfer properties that have reached Stage 2 of the current process, namely: <ul style="list-style-type: none"> - Harefield Community Centre - Northam Community Centre - St. Albans Resource Centre - Townhill Park Community Centre at less than Best Consideration (where appropriate) to either the current or any new applicants following the new application process and to subsequently agree detailed disposal terms and negotiate and carry out all ancillary matters to enable disposal of the sites.	
	(iv)	To delegate authority to the Head of Property to approve the disposals on a leasehold or freehold basis at less than Best Consideration:	

	(v)	To delegate authority to the Assistant Chief Executive, following consultation with the Cabinet Members for Communities and Resources and Head of Property to do anything necessary to give effect to the recommendations contained in this report:
	(vi)	To note progress on transferring community centres and buildings.
REASONS FOR REPORT RECOMMENDATIONS		
1.		Cabinet approval is required to approve disposal of land at less than Best Consideration and to amend the Council's Community Asset Transfer Strategy.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED		
2.		Do nothing and continue with the Council's Community Asset Transfer Strategy and associated application process. This option was rejected as feedback from community, voluntary and faith organisations supported reviewing a number of aspects to make the process more streamlined and to shorten timescales.
DETAIL (Including consultation carried out)		
3.		In June 2013, Cabinet approved the Community Asset Transfer (CAT) Strategy. It was introduced to meet the twin objectives of bringing benefits and added value to communities and contributing to the Council's aims and priorities. The strategic drivers continue to be the Localism Act 2011, the Council's financial position, commitment to support local communities, speculative interest from organisations and maximising opportunities to use and deliver services from local bases, with partners. The transfer may be on a freehold or long leasehold basis (25 – 99 years).
4.		The CAT Strategy provides a framework for the Council to consider transferring Council assets (buildings and/or land), sometimes at less than market value to community, voluntary or faith organisations. The process currently has the following stages: <ul style="list-style-type: none"> • Speculative enquiry • Stage 1 - Expression of Interest + Action Plan (3 months deadline) • Stage 2 – Detailed application and full business plan (4-8 months).
		Consultation
5.		The Council provided an opportunity (from 20 th February – 20 th March 2015) for organisations and individuals to provide feedback on the current Community Asset Transfer (CAT) Strategy and process. Feedback was sought from: <ul style="list-style-type: none"> • Community Centres and community buildings in scope for the CAT pilot phase – a total of 18 assets. • Organisations who had first-hand experience of the process • Organisations and individuals who took part in the original CAT Strategy and process consultation in 2013. • Recipients of the Council's weekly Community News and Events e-bulletin (4 x editions) received by 6,000 organisations and individuals across the City.

6.	<p>Key points highlighted in the feedback include the need to revise the Community Asset Transfer Strategy to give existing tenants first refusal, to recognise pressures on community, voluntary and faith organisations and to shorten the application process. The revised Community Asset Transfer Strategy is attached at Appendix 1 and a summary of feedback received at Appendix 2. The Strategy has been amended to give existing tenants first refusal and details of the current application process have been removed.</p>															
	<p>Progress</p>															
7.	<p>To date of the 18 community assets, nearly 40% have reached the stage at which we can recommend disposal. Of these 3 will be successfully disposed (Bitterne Manor, which is currently negotiating lease terms, Lordshill which has been disposed as part of the Oaklands Pool redevelopment and will open in April 2015 and Regents Park where the new facility is planned to be open in September 2015). Five others (Coxford, Northam, Harefield, Moorlands and Sholing) were to be part of a multiple asset transfer to Just Centres. However, at the time of drafting this report, Just Centres have informed the Council that they are unable to progress this transfer due to a recent funding decision by external funders. Each centre's progress in the community asset transfer process is detailed in the tabled below.</p>															
8.	<table border="1"> <thead> <tr> <th data-bbox="323 1016 528 1095">Status</th> <th data-bbox="528 1016 778 1095">Centres</th> <th data-bbox="778 1016 1414 1095">Progress</th> </tr> </thead> <tbody> <tr> <td data-bbox="323 1095 528 1200">Progressing to disposal</td> <td data-bbox="528 1095 778 1200">Townhill Park Community Centre, Meggeson Ave</td> <td data-bbox="778 1095 1414 1200">City Life Church is working with Townhill Park Community Association – completed Stage 2. This report seeks delegated authority for disposal.</td> </tr> <tr> <td data-bbox="323 1200 528 1328">Invited to Stage 2</td> <td data-bbox="528 1200 778 1328">St Albans Resource Centre, Northumberland Road</td> <td data-bbox="778 1200 1414 1328">The Black Heritage Association and the Kutchi Cultural Association have both been invited to stage 2 of the process. This report seeks delegated authority for disposal.</td> </tr> <tr> <td data-bbox="323 1328 528 1776">Organisations preparing for community asset transfer</td> <td data-bbox="528 1328 778 1776"> Lordswood Community Centre, Sandpiper Road Merryoak Community Centre, Acacia Road Swaythling Neighbourhood Centre, Off Broadlands Road </td> <td data-bbox="778 1328 1414 1776">Lordswood Community Association, Merryoak Community Association and Swaythling Neighbourhood Association are reviewing their policies and practise in readiness for applying.</td> </tr> <tr> <td data-bbox="323 1776 528 2098">Disposals linked to new developments</td> <td data-bbox="528 1776 778 2098"> Lordshill Community Centre, Andromeda Road Regents Park Community Centre, Elmes Drive </td> <td data-bbox="778 1776 1414 2098"> Refurbished building on Oaklands Pool site. Opening April 2015. Full repairs, maintenance and insuring responsibilities transfer to tenant, Lordshill Community Association. New purpose built community centre planned on school site. Opening Sept 2015 (estimated). </td> </tr> </tbody> </table>	Status	Centres	Progress	Progressing to disposal	Townhill Park Community Centre, Meggeson Ave	City Life Church is working with Townhill Park Community Association – completed Stage 2. This report seeks delegated authority for disposal.	Invited to Stage 2	St Albans Resource Centre, Northumberland Road	The Black Heritage Association and the Kutchi Cultural Association have both been invited to stage 2 of the process. This report seeks delegated authority for disposal.	Organisations preparing for community asset transfer	Lordswood Community Centre, Sandpiper Road Merryoak Community Centre, Acacia Road Swaythling Neighbourhood Centre, Off Broadlands Road	Lordswood Community Association, Merryoak Community Association and Swaythling Neighbourhood Association are reviewing their policies and practise in readiness for applying.	Disposals linked to new developments	Lordshill Community Centre, Andromeda Road Regents Park Community Centre, Elmes Drive	Refurbished building on Oaklands Pool site. Opening April 2015. Full repairs, maintenance and insuring responsibilities transfer to tenant, Lordshill Community Association. New purpose built community centre planned on school site. Opening Sept 2015 (estimated).
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	Status	Centres	Progress
	Negotiating lease terms	Bitterne Manor Community Centre, Vespasian Road	Bitterne Manor Community Association are currently negotiating 99 year lease with full repairs, maintenance and insuring responsibilities.
		Clovelly Centre, Clovelly Road	Discussions have started, linked to new lease.
	Assets linked to para. 9 of report (re Just Centre)	Coxford Community Centre, Olive Road	These assets are linked to the update within para.9 of this report as they had progressed to Stage 2 and were part of a multiple transfer to Just Centres which has recently fallen through. This report seeks delegated authority for disposal of Harefield and Northam Community Centres.
		Harefield Community Centre, Yeovil Chase	
		Moorlands Community Centre, Townhill Park Way	
		Northam Community Centre, Kent Street	
		Sholing Community Centre, Butts Road	
	Early discussion progressing	Freemantle Community Centre, Randolph Street	Following decisions linked to the Council's Day Services provider review, potential new long-term hirers are being identified.
		St Denys Community Centre, Priory Road	
		Kingsland Community Centre, Winton Street	There has been extensive water damage in this centre recently. Now the centre has been repaired, further conversations with the committee about CAT will take place.
		Woolston Community Centre, Church road	Woolston Community Association already has a long lease in place.
9.	Northam Community Association had entered into a partnership with Just Centres, a new local social enterprise and had progressed to Stage 2 of the application process. Unfortunately, in March 2015, Just Centres informed the Council that they have been forced to withdraw from the community asset transfer process as a result of a recent funding a decision by external funders.		
10.	There have been enquiries from a number of local and regional organisations, outside the scope of the pilot programme, which indicates there is appetite for community asset transfer. These organisations have either expressed interest in taking forward a community asset transfer for the premises they currently occupy or are seeking new premises.		
RESOURCE IMPLICATIONS			
<u>Capital/Revenue</u>			
11.	It is proposed that a lease of Townhill Park Community Centre is granted at an annual rent in the region of £1,350 for a term of 25 years. This would give the property a value of £14,500. Whilst the property is relatively new its repair and maintenance costs are high, and these will shortly be un-funded by the Council The liabilities for these costs in the future will pass to City Life		

	Church so represent a saving to the Council and the removal of an ongoing liability for repairs etc. The current budget for supporting Community Centres is already the subject of a budget saving (COMM2) approved by Council on 12 th February 2014. This budget will be removed in full from 2016/17 and the full achievement of the saving is therefore dependent on the progress against CAT.
12.	One off expenditure linked to transferring assets in the pilot programme will be met through the Transformation Fund on a case by case basis, to be agreed by the Council's Transformation and Improvement Board; costs to date total approx. £11,500. Additional costs incurred beyond the pilot phase of the programme will be borne by the relevant Portfolio. A one year post will be funded through the Transformation Programme to support the delivery of this programme over the next financial year. This will have a maximum cost of £48,900.
13.	Cabinet agreed on 18 th June 2013 that the need for capital investment to facilitate a community asset transfer will be considered on a case by case basis. Such consideration will be subject to the availability of financial resources and subject to Cabinet approval following appraisal of the detailed application. If there is a capital receipt from buildings on HRA land, the funds would need to be transferred to the HRA.
<u>Property/Other</u>	
14.	Townhill Park and Northam Community Centres have been improved following agreement to licence to Early Years Education and Childcare Services (EYEC) and Children's Centre services. Under the terms of grants from the Department for Education (DfE), the council must guarantee provision of EYEC for 25 years. If the interests of such early years and Children's Centre services are not protected, the Council would need to repay the capital to the funders. In such cases, an early analysis of the investment and potential repayment and the impact on the Council's statutory duties has to be made before any recommendations can be made to Members. Formal approval for the transfers of these properties will be need to be secured from the DfE as part of the disposal process.
15.	The disposal terms for Townhill Park and Northam Community Centre premises will therefore include provision to allow the council to nominate EYEC providers and Children's Centre services to occupy such premises under reasonable terms subject to the approval of each community, voluntary or faith organisation's governing body. If the EYEC providers and Children's Centre services materially breach the licence terms agreed, and as a consequence, the community, voluntary or faith organisation, acting reasonably, terminates the EYEC provider's licence, the Council will identify an alternative EYEC providers and Children's Centre services to meet the demand for early years' places.
16.	Disposals will be at less than best consideration where the disposal terms are less than at full open market value.
17.	To ensure that assets continue to be used for the purposes of benefiting local communities, an asset lock will be incorporated into legal agreements.
18.	Building Contract Services (BCS) provides a repairs and maintenance service to a number of Council-owned community centres and community buildings. Transferring the assets would mean the community, voluntary or faith

	organisation would be able to choose whether to continue to purchase services from BCS or enter into agreements with other contractors. Depending on the number of transfers that are achieved, there may be a negative impact on BCS income.
19.	Under the terms of leases and statute, tenants will have full health and safety and compliance duties.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
20.	<p>Under Section 1 of the Localism Act 2011, the Council has a general power of competence to do anything that individuals generally may do; however that general power is subject to other statutory limitations. Section 123 of the Local Government Act 1972 provides that the Council must dispose of land for best consideration, save for cases where the consent of the Secretary of State has been obtained for any disposal at less than best consideration. Under the General Disposal Consent (England) 2003, such specific consent is not required for any disposal where the difference between the unrestricted value of the interest and the consideration accepted, is £2M or less, provided that:</p> <ul style="list-style-type: none"> • the purpose for which the land is to be transferred is likely to contribute to the “promotion or improvement” of the economic, social or environmental well-being of the area. <p>In order to use the General Disposal Consent (England) 2003, the properties must be held under the Local Government Acts. There are a number of these in the HRA which means they will need appropriation from Housing Acts to Local Government Acts prior to disposal. This is an internal administrative process.</p>
21.	In determining whether or not to dispose of land for less than best consideration the Council should have regard to a number of factors including its accountability and fiduciary duty to local people, future potential liabilities, its community strategy, all normal and prudent commercial practices, clear and realistic valuation advice on the asset in question and EU State Aid rules.
<u>Other Legal Implications:</u>	
22.	State Aid rules are designed to ensure that the single market is not subject to national distortion through State support to particular companies or sectors. Since the tests for State Aid relate to an organisation’s activities (and whether or not they are the subject of trade between Member States), it cannot categorically be stated that State Aid does not apply to all Community Asset Transfers. However, where an organisation can show that it is carrying out purely local activities, on a ‘not for profit’ basis, then this should be a good basis for showing there is no State Aid. Where the recipient of a Community Asset Transfer is engaged in carrying out ‘not for profit’ activities to meet local community need (i.e. with no cross-border trade), then the transfer is unlikely to count as State Aid in itself. However, what also needs to be considered is the status of organisations that are tenants in the building. If their activities fall under the State Aid Rules it could lead to accidental ‘leakage’ of Aid which inadvertently leads to the other bodies gaining an unfair advantage over their competitors.

23.	Any pre-emption, asset lock or buy back right would need to be protected by a restriction entered onto the title of the relevant asset.	
24.	Assets transferred on a leasehold basis will be carried out on the basis that the entire responsibilities for managing and repairing the building, including all health and safety responsibilities, will be transferred from the council to the receiving organisation.	
POLICY FRAMEWORK IMPLICATIONS		
25.	Recommendations for community asset transfer relate to the relevant Policy Framework plans. The services provided by the organisations to which a transfer is approved will assist the council in meeting the overall aims of its policy framework including the Southampton City Council Strategy 2014 - 17.	
KEY DECISION?		Yes
WARDS/COMMUNITIES AFFECTED:		None (unless the community transfers have a specific impact on one or more communities or sections of a community)
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	CAT Strategy	
2.	Consultation feedback	
3.	ESIA	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		Yes
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
None		

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SOUTHAMPTON CITY COUNCIL
Encouraging positive community contribution
COMMUNITY ASSET TRANSFER STRATEGY 2013 – 2017



We are committed to working with community, voluntary, faith groups and local people to implement a successful community asset transfer strategy in Southampton that will result in successful, vibrant and inclusive community managed assets that are sustainable in the long term.

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1. INTRODUCTION, OUTCOMES, AIMS AND CONTEXT

1.1 Introduction

Community organisations have owned or managed buildings or land for many years. In Southampton this includes buildings owned and managed by voluntary and faith organisations as well as community buildings owned by the council and leased or licensed to local organisations. The council is committed to extending this much further through a proactive work programme on community asset transfer (CAT) over the next 5 years where it brings benefits and added value to communities, whilst contributing to the council's aims and priorities. The key drivers for this approach are the Localism Act which encourages community empowerment and council commitment to protect many locally valued community based facilities through community asset transfer.

1.2 Outcomes

The council wants to achieve the following outcomes through a proactive community asset transfer programme:

- Community empowerment and benefits to the wider local community
- Capacity building through the use of local skills, experience, knowledge and time
- Retaining valued local provision, thus improving local services in times of austerity, while contributing to savings
- Delivering local services that address local needs through community led and community controlled assets
- Extending the use of a building or land
- Value for money and the ability to draw in other sources of funding not available to the council
- Social enterprise and social wellbeing, including community cohesion
- Financial viability, long term sustainability and external investment
- Delivery of council objectives through other partners
- A stimulus to partnership working

1.3 Aims

The council recognises that the increasing emphasis on localism means that it is even more important to work closely in partnership with local community, voluntary and faith based groups that can help us achieve the outcomes of delivering quality services, tackling poverty, protecting vulnerable people and encouraging growth and sustainability. Our aims are to:

- Encourage and support the retention of local facilities which are used for a variety of social, community and public purposes without the use of council funds in the future – on the basis that we are satisfied that the business case for such a transfer is financially viable and sustainable in the long term
- Increase the effectiveness and efficiency of council owned community assets through local management
- Maintain local public facilities through community management
- Explore innovative ways of enhancing existing community facilities, for example by transferring multiple assets to one provider who can then deliver benefits linked to economies of scale

1.4 National Context

- From the 1970s there have been community economic development initiatives that were based on using assets as a way of meeting social and economic objectives – this included community centres, community gardens and city farms.
- Asset transfer is increasingly seen as a means of achieving a range of key objectives from promoting civic renewal, community cohesion, active citizenship and improving local public services to tackling poverty and promoting economic regeneration. In 2007 the Quirk Review ('Making Assets Work: The Quirk Review of community management and ownership of public assets') signalled the transfer of public assets to community based organisations as a mainstream activity. The council has, over time, transferred assets to community organisations but to date this has not been within an overall framework. Key elements of the Localism Act relating to the 'Community Right to Bid' and the 'Right to Challenge' are intrinsically linked to the intentions and principles of this strategy. For more information on Community Rights in Southampton visit the council's website.

1.5 Local Context

- The council sees community asset transfer as a positive opportunity to encourage and strengthen long term partnerships with community, voluntary and faith based organisations that will contribute towards enhancing communities and their involvement in Southampton. All successful transfers will be the beginning of long term relationships between the council and the successful community, voluntary or faith based organisation
- The council has been developing its strategic approach to asset management which includes community used buildings in localities. Community asset transfer offers a way of reconciling the consolidation of assets belonging to the council with a genuine community empowerment approach that seeks to build the capacity of local groups
- The council believes that through such asset transfer, local groups will be able to gain access to and secure other sources of additional investment

2. WHAT IS COMMUNITY ASSET TRANSFER (CAT)?

- The council owns and manages a wide variety of property assets including land and buildings. The council defines a Community Asset as a building and/or land that has a community use and from which a community based activity or service is delivered. Asset transfer means moving the responsibility for the ownership, management and running of assets from the council to a community, voluntary or faith based organisation. This will apply either where the council owns the freehold or has a long lease that can be transferred to another organisation. Community asset transfer has the potential of achieving a range of key objectives from promoting civic renewal, community cohesion, active citizenship and improving local public services to tackling poverty and promoting economic regeneration

- CAT relates primarily to long leasehold (25 – 99 years) or freehold arrangements with community, voluntary or faith based organisations and covers land and buildings owned by Southampton City Council. The terms of transfer to an organisation will be negotiated on a case by case basis. This strategy applies to council owned assets where community based services and activities are offered, or have the potential to be, for the benefit of local residents (e.g. community centres, youth centres and play facilities). The council will not consider applications for transfer with respect to schools, social care establishments, sheltered accommodation and other properties from which council run services are delivered that are not deemed by the council as suitable for transfer. The council will not transfer properties to be used solely for religious activities. The council also retains the right not to transfer assets that have been identified as having potential significant capital receipt
- The council recognises that in some cases, buildings that are available for CAT may not be vacant and a transfer may take place with a sitting tenant. In such situations details will be discussed on an asset by asset basis in liaison with the existing tenants, relevant council departments and other stakeholders (where applicable)

3. COMMUNITY ASSET TRANSFER POLICY

Our policy is based on our commitment to community empowerment and supports the development and sustainability of a thriving community and voluntary sector. This policy sets out the principles and process we will use to manage applications for the transfer of community based buildings or land to a voluntary, community or faith organisation, in a way that also complies with the council's Corporate Property Strategy and other relevant council policies. The Community Asset Transfer policy is accompanied by a toolkit, which signposts to a range of accessible and practical resources that will enable applicants to make a suitable application.

This policy will take into account relevant legislation that relates to the transfer of land or buildings at less than market value, provided the transfer is likely to contribute to the "promotion or improvement" of the economic, social or environmental well-being of the area, and the difference between market value and actual price paid is less than £2 million (If the difference is more than £2million then the request will require ministerial approval). The council's disposals policy reflects this legislation and all such transfers will ultimately be considered by Cabinet.

We recognise that community asset transfer comes with risks and liabilities to both the council as well as community, voluntary and faith based organisations. Therefore the process must include a robust framework to assess and manage risks so that all parties can make informed decisions. We want to have a transparent framework to enable the transfer of assets and our policy is based on the following principles:

- Strategic approach, supported by a small team to oversee the programme

- Transparency in process, timescales and decision making
- Partnership with community, voluntary and faith organisations and encouragement of collaboration between groups
- Inclusivity of provision so that the assets remain genuinely open and accessible to all sections of the community irrespective of their faith, culture, gender, sexuality or religion
- Phased planning so that current community buildings are the first priority
- Decisions will be based on clear proposals, robust business plans and sound, evidence based rationale for the transfer of assets – each proposal will be based on individual merits
- Any proposed transfer of asset must promote social, economic or environmental wellbeing and support the aims and priorities of the council
- Asset transfer will be in exchange for the agreement by the community, voluntary or faith based organisation to deliver agreed benefits to local people
- Existing tenants will be given ‘first right of refusal’
- The council’s interest on nominal value freehold sales will be protected by reserving pre-emption or ‘buy back’ rights
- An ‘asset lock’ will be included in the terms of a transfer to ensure that the building remains for community benefit and use. Such clauses will be developed to prevent the asset being assigned or sold for unintended financial gain and loss of community benefits
- Disposals at less than best consideration will follow relevant legislation, Government guidance and the Royal Institute of Chartered Surveyors (RICS) document “Local Authority Asset Management Best Practice” and state the best consideration that would otherwise have been received

4. COMMUNITY ASSET TRANSFER CRITERIA

In the interest of supporting a vibrant local community and voluntary sector, the council will consider and prioritise the transfer of assets to local organisations. Therefore, it is unlikely that the council will prioritise transfer of assets to organisations whose remit is regional or nationwide. The prioritisations will be based on a geographical analysis of the community based properties within an area and the needs of that area. The transfer of assets may be to either long established, stable and secure formal organisations or newly formed community based groups provided they can demonstrate they have the necessary expertise and experience to manage the asset.

The council will consider transferring assets in the following circumstances:

- They must be in the ownership of the council
- They are currently delivering community based services where there is a demonstrable need for the asset and associated services to continue
- They are assets that the council has identified in savings proposals, or as potentially surplus or where there is no clear rationale for the retention to continue due to cost of maintenance, condition of the building or low levels of usage

The council will not consider applications for transfer in the following circumstances:

- Assets which accommodate fixed or core services (e.g. schools, social care establishments, sheltered accommodation etc. - this is not an exhaustive list)
- Assets which have been identified as having a potential significant capital receipt, or where a significant amount of revenue income would be lost
- Assets which have been identified as being required for strategic, planning or redevelopment/regeneration reasons
- Transfers to individuals or businesses to be used **purely** as a vehicle for commercial ventures. This does not include, for example, charitable organisations with trading arms, where profits are given back to communities.
- Transfers to individuals
- Where transfers contravene State Aid or procurement rules
- Assets which may be used solely for religious or political purposes/activities.

The criteria is strict; this is to ensure that any successful transfer is sustainable, will be of benefit to local communities as well as the voluntary, community or faith organisation and will instil long term reassurance for the community which it serves.

The final decision on any transfer will be taken by the council in line with the council's constitution at the time.

4.1 Who can apply?

Community, voluntary or faith organisations who can demonstrate that they are or will be:

- Properly constituted with strong and open governance arrangements
- In a position to hold property
- Able to demonstrate strong financial and performance management and accountable processes
- Non-profit making and exist for community/ social/ environmental/ economic benefit, whilst recognising that they may have a business element to how they operate, such as a community café. However, this type of business and financial gain will not be the main driver and it will not distribute any financial surplus to owners or members but apply it to serving its core community aims and objectives
- Open to and demonstrate an inclusive approach to members of the wider community

4.2 Assessment Criteria

Any application received will be assessed. Applicants must demonstrate how they meet the following criteria:

- Clear benefits to the council, its aims and priorities, the community based group and the wider community to justify the subsidised transfer

- Demonstrate that it will continue to be used to support local community based services and activities
- Demonstrate strong and robust governance arrangements (including how local people will be involved in decision making in relation to the building/land and its use)
- Evidence of a track record in delivering services and/or managing property (if a new group evidence of this track record linked to management committee members and/or staff and volunteers)
- Have in place a robust and sustainable business plan or show the willingness to create an acceptable plan within a specified time frame before the building is transferred. This business plan will need to:
 - Demonstrate a realistic approach to managing and running the facility
 - Identify sources of finance that asset transfer will release or attract, future investment in and maintenance of the asset
 - Include a needs assessment
 - Describe the planned outcomes and social, economic and environmental benefits to result from the asset transfer
 - Identify liabilities and how these will be addressed
 - Provide evidence of the capability and skills within the community based group to manage, repair and maintain, insure and sustain the asset transfer (and/or any capacity/skills building requirements), including a capacity building plan and how this will be delivered
 - Outline how much space is required and its potential usage, how services and activities will be 'joined up' with those of other organisations to maximise the efficient use of the asset by providing new and innovative services, which may be linked to current council provision
 - Provide evidence of compliance with legislation and regulatory controls such as equality legislation, child and vulnerable adult protection, health and safety, employment and plans for regular monitoring and evaluation

4.3 Risk Management

It is accepted that there are a number of risks which may arise from asset transfer. The proposals must show that the group has considered the key risks and how they will be managed, including:

- Potential for a negative impact on community cohesion
- Potential loss of existing community services or facilities
- Capacity of recipient to deliver promised services/outcomes
- Control of asset by unrepresentative minority
- Conflict with other legal, regulatory constraints
- Potential for ongoing council liability
- Financial sustainability
- Lack of value for money

- Conflict with other funders
- Potential unfair advantage for one group over another

In line with the Southampton Compact, risks will be discussed and allocated to the organisation(s) best equipped to manage them. Delivery terms and risks will be proportionate to the nature and value of the transfer.

4.4 Basis for the Asset Transfer

- Long term lease or freehold
- The organisation will be responsible for upkeep, running costs, repairs and maintenance, compliance with statutory inspections, health and safety regulations and other legislation
- The asset will revert back to the council in cases of bankruptcy, corruption, non-payment of rent, non-performance, a breach of the agreement and if the organisation wants to return the asset – in these cases, the council will reserve its right to dispose of the asset in the open market.
- The organisation cannot transfer the asset on to a third party

5. COMMUNITY ASSET TRANSFER PROCESS

Any community asset transfer (CAT) process works best when all parties are open, flexible and accessible. The process itself is about being of mutual benefit to all parties involved and the main aim is to achieve a joint investment in a goal that is shared. If there is any part of the process which the applying organisation doesn't understand, then seeking clarity at an early stage is encouraged.

The process may be initiated in two ways:

- By the council identifying assets as being appropriate to transfer, in which case the council will invite community, voluntary and faith organisations to submit proposals. This will be based on a proper review of assets and an agreement that they are suitable for transfer.
- By a community, voluntary or faith organisation approaching the council with a proposal, in which case the council will assess the initial request to determine whether the asset is suitable for transfer. Should the asset be deemed suitable to transfer, it will be promoted as being so in order to ensure an open and transparent process.

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Feedback received on the Community Asset Transfer Strategy and process

Introduction

The Council provided an opportunity for organisations and individuals to provide feedback on the current Community Asset Transfer (CAT) Strategy and process from 20th February to 20th March 2015. This summary captures the feedback received.

Feedback method

All Community Centres and community buildings in scope for the CAT pilot phase and those who had first-hand experience of the strategy and process received an email inviting them to provide feedback through a short survey.

An opportunity was also provided to organisations/ individuals who took part in the initial consultation in 2013, inviting them to share ideas and provide feedback on the strategy and process. For example what they thought about the length of the process and whether existing tenants should get first refusal. Reminder emails were sent out on 5th March 2015 and 19th March 2015.

In addition, the Council's weekly Community News and Events e-bulletin also promoted the opportunity for organisations and individuals to provide feedback, an article was placed in each edition from w/c 23rd March for four editions. This newsletter is received by over 6,000 residents and organisations across the city.

Feedback - key themes

Ten organisations provided feedback and a number of key themes emerged. A summary has been provided below:

The Strategy

- There was a general consensus that existing tenants should have first refusal.
- One respondent explained that it is important for sitting tenants to get first refusal because they are already serving the local community and have the local knowledge.
- If tenants do not wish to have first refusal then they should have the opportunity to form partnerships with other potential applicants, and they could still have a say on the outcome.
- Where there is more than one existing tenant, it would be difficult to offer to first refusal.

The process

- The process is too slow and takes too long, the Council ask for irrelevant information.
- Anything that slims down the system is acceptable.
- Should be made simple, it is a very large piece of work.
- The current process is all far too complicated.
- Process is onerous and complex.
- CAT is just too scary and really not what most community groups want or indeed can deliver.

- Having the option of a lease term that is the same length of the DfE clawback would be useful.
- Costly for volunteers to undertake.
- Time scales are very-long winded.

Information and guidance provided by SCC

- Organisations were pleased with the information available and the support from the Link Officer.
- Provided enough information and guidance, however still needed further external support.
- Healthy feedback from the Panel has shown genuine concern for the success of Community Asset Transfer and the benefit to the local community.

Other feedback

- Heads of Terms should be available at the start of the process for each asset – groups can then make an informed decision.
- In general, community groups want to do things for communities and not manage property and worry how to pay the next bill.
- Through CAT, SCC are ensuring that Community Centres remain an asset to communities, but there is fear that rather than enabling communities to continue with community activities CAT will reduce community activities greatly in general and may mean higher rental charges that could result in community groups leaving or folding.
- One group have sought a partner for some time and this has not yet come to fruition.

Community Asset Transfer Appraisal Panel

It was also important to seek feedback from the CAT Appraisal Panel, this was done through short face-to-face interviews. The role of the Panel is to assess stage 1 and 2 applications and consists of a wide range of council officers from the following areas:

- CAT programme lead officer
- Transformation
- Regeneration (Grants)
- Risk and Assurance
- Property
- Legal and Finance (where necessary)
- Early Years Services (where necessary)

Panel feedback

- The role of the Link Officer could be more pro-active, go through application with applicant before being submitted.
- Stage 2 could be shorter, as there is a risk for groups to lose momentum if given too long - for information the council's large grants have an 8 week application deadline.
- Application forms need to be revised – the ordering of questions and some sections are repetitive.

- There is a good mix of officers present on the Panel, all bring their knowledge and experience when assessing applications.
- Beneficial to have face-to-face meeting with applying organisation at Stage 2.

Feedback was provided by the following organisations/ individuals:

Organisations with first-hand experience

- Black Heritage Association
- City Life Church
- Kutchi Cultural Association
- Woolston Community Association
- Moorlands Community Association
- Townhill Park Community Association

Other organisations who provided feedback

- Southampton Voluntary Services
- Training for Work In Communities (TWICS)
- Independent CAT consultant
- Block Rep

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Equality and Safety Impact Assessment

The **public sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with section 17 of the Crime and Disorder Act and will enable the council to better understand the potential impact of the budget proposals and consider mitigating action.

<p>Name or Brief Description of Proposal</p>	<p><u>Community Asset Transfer Programme:</u> To transfer some council assets to community, voluntary or faith organisations at less than market value through community asset transfers.</p>
<p>Brief Service Profile</p>	<p>The asset transfer approach will involve the council inviting speculative inquiries as well as proactively seeking transfers. The speculative inquiries could range from unoccupied land to community buildings with sitting tenants. It is difficult to provide more information until inquiries about specific assets have been received. Each disposal at less than market value will be considered by Cabinet and ESIA’s for specific assets will be produced as part of this decision making process.</p>
<p>Summary of Impact and Issues</p>	<p>There are two key drivers for a proactive community asset transfer programme:</p> <ul style="list-style-type: none"> • Delivering elements of the Localism Act • Cost avoidance <p>The potential negative impacts are linked to pressures on the council’s budgets as the council is increasingly unable to pay for repairs and without changes the council may have to consider closures. There is also an increased level of uncertainty, or risk, with facilities possibly being</p>

	<p>transferred to less experienced operators.</p> <p>The transfer of assets to the community will create a different range of impacts, depending on the facilities' current users, the local community, the new owners, etc. These impacts will be both positive and negative so individual, regularly updated, Equality and Safety Impact Assessments will be created for each asset transfer to explore possible impacts and whether these need mitigating.</p>
Potential Positive Impacts	<p>There are a range of potential positive impacts to the community being empowered to take ownership of these assets, including:</p> <ul style="list-style-type: none"> • Increased community activities that better meet local needs • Increased community cohesion • Increased local skills base • Increased partnership working <p>These positive impacts will also be explored in the individual ESIA for each asset transfer.</p>
Responsible Service Manager	Vanessa Shahani
Date	Reviewed 27/03/2015 in view of amendments made to CAT Strategy – no updates required

Approved by Senior Manager	Suki Sitaram, Assistant Chief Executive
Signature	
Date	31/3/2015

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	Depending on the assets that are transferred there may be activities already running there for older or younger people. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	Identify organisations with sufficient capacity, skills and experience to ensure continuance of existing provision. Map alternative provision and work with local groups and residents to ensure activities continue to run from other bases. Effective signposting to infrastructure support and funding opportunities. These will be fully investigated in the individual ESIA for each asset transfer.
Disability	Depending on the assets that are transferred there may be activities already running there for disabled people, or people with impairments. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Gender Reassignment	Depending on the assets that are transferred there may be activities already running there for transgendered people. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Marriage and Civil Partnership	Depending on the assets that are transferred there may be activities already running there for married people or those in a civil partnership. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.

Pregnancy and Maternity	Depending on the assets that are transferred there may already be early years activities running there e.g. Sure Start provision, NCT. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Race	Depending on the assets that are transferred there may already be activities running there that contribute towards cohesion, for particular minority groups or for people of a particular faith. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Religion or Belief	Depending on the assets that are transferred there may already be activities running there that contribute towards cohesion, for particular minority groups or for people of a particular faith. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Sex	Depending on the assets that are transferred there may already be activities running for men or women. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Sexual Orientation	Depending on the assets that are transferred there may already be activities running for lesbian, gay or bisexual people. There could be a positive impact if the activities continue or develop after transfer or a negative impact if they cease.	As above.
Community Safety	Development of programmes of activities could have a positive impact on community safety e.g.	As above.

	<p>increased youth provision could reduce levels of ASB.</p> <p>Conversely, should facilities close, there could be a negative impact on community safety, including community tensions, especially in inner-city locations and areas where there are greater levels of deprivation.</p>	
Poverty	<p>Many community buildings are located in priority neighbourhoods and provide facilities within walking distance for local people. An enhanced programme of local activities e.g. job clubs could have a positive impact on poverty.</p> <p>Conversely, should facilities have to close, there could be a negative impact on poverty.</p>	As above.
Other Significant Impacts	<p>Many community buildings house statutory services such as early years provision. Should facilities close then the council could struggle to meet its statutory obligations.</p>	As above.

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DECISION-MAKER:	CABINET		
SUBJECT:	CITY DEPOT HOUSEHOLD WASTE RECYCLING CENTRE (HWRC) NEW OPERATING CONTRACT		
DATE OF DECISION:	21 APRIL 2015		
REPORT OF:	CABINET MEMBER FOR ENVIRONMENT AND TRANSPORT		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Michael Thomas	Tel: 023 8083 2466
	E-mail:	michael.thomas@southampton.gov.uk	
Director	Name:	Mark Heath	Tel: 023 8083 2371
	E-mail:	mark.heath@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
The purpose of this paper is to seek approval for the operation of the Council's City Depot HWRC to form part of a joint HWRC operating contract let by Hampshire County Council for all 26 HWRC sites in Hampshire; from 1 April 2016.	
This paper seeks to: <ul style="list-style-type: none"> • Provide details on the current HWRC operating arrangements; • Provide details on the proposed new operating contract. 	
RECOMMENDATIONS:	
(i)	that the contract for the operation of the City Depot HWRC is retendered as part of the Hampshire retender procedure for all 26 HWRC sites in Hampshire;
(ii)	that the contract allows flexibility for Southampton to operate the City Depot HWRC in a way that suits local requirements; and,.
(iii)	to delegate authority to the Director, Place, following consultation with the Head of Legal and Democratic Services and the Cabinet Member for Environment and Transport to finalise and enter into all legal documentation necessary to enter into and agree the terms of the new HWRC contract.
REASONS FOR REPORT RECOMMENDATIONS	
1.	The Council will benefit from economy of scale savings with the City Depot HWRC site being part of a joint contract for all 26 HWRC sites in Hampshire; whilst still retaining flexibility to have its site operated as it prefers.
2.	Hampshire County Council will meet all procurement costs for the new contract; with the cost of contract management already covered under the current waste Tripartite arrangement between Southampton, Hampshire and Portsmouth.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
3.	<p>Procuring a separate contract for the management of the City Depot HWRC from 1 April 2016. This was discounted due to:</p> <ul style="list-style-type: none"> • The Council would have to meet contract procurement costs itself; • The Council would not benefit from economies of scale savings within the day to day management costs of running the site; • The Council would not benefit from sharing investment costs of new initiatives which would be shared across 26 HWRC sites in a joint contract.
DETAIL (Including consultation carried out)	
4.	<p>Under Section 51 of the Environmental Protection Act 1990 Southampton City Council has a legal duty to provide residents with a free bulky waste disposal route through an HWRC. The HWRC must be reasonably accessible and available at reasonable times for residents to deposit their bulky waste.</p>
5.	<p>The provision of HWRC facilities for Southampton residents to dispose of their bulky waste costs the Council close to £1 million per year; of which approx. 20% of this is site management costs and 80% are costs related to disposing of the waste deposited by residents. This equates to 12% of the Council's overall annual waste disposal budget.</p>
6.	<p>Southampton residents are able to use any of the 26 HWRC sites in Hampshire, as are Portsmouth and Hampshire residents, with costs being re-apportioned amongst the three authorities via the waste Tripartite agreement. A postcode site user survey is carried out every 3 years to enable accurate recharges to be made between the authorities.</p>
7.	<p>The operation of the Council's HWRC site has always been as part of a joint arrangement for the operation of all 26 HWRC sites in Hampshire since the opening of the original HWRC site at Town Depot on 16 December 1992. This continued when the current HWRC located at City Depot was opened on 7 December 2011. The current operating contract is with Hopkins Recycling Ltd and expires on 31 March 2016.</p>
8.	<p>Hampshire County Council will be using a competitive dialogue process for part of the procurement to enable the bidders to bring forward examples of best practice within the operation of HWRC's nationally which will support the Council's aim of providing good value services at less cost. The main areas of site operations that are being subject to competitive dialogue are:</p> <ul style="list-style-type: none"> • Increasing the range of materials that can be recycled, such as carpets and mattresses, to maximise landfill diversion thereby reducing costs; • Working in partnership with the voluntary sector to maximise the amount of material that can be diverted to reuse; • The option of accepting business waste from SMEs (Small and Medium Enterprises) at the HWRC to help them increase opportunities to recycle their waste. This would be for a reasonable charge generating the Council an income stream and maximise the use of its HWRC site whilst minimising any impact on the public. • Working with Portsmouth and Hampshire on developing a range of options for residents who are looking to deliver in large amounts of DIY type wastes.

	It will be up to the Council as to which of the above options it wishes to take forward for its City Depot HWRC site.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	Capital – There are no capital implications
10.	Revenue – The new contract will enable the core HWRC service to operate within existing budgets whilst bringing forward a range of savings options for consideration by the Council.
<u>Property/Other</u>	
11.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	The Council's waste disposal functions are carried out in accordance with the Environmental Protection Act 1990 and associated secondary legislation. Power to enter into joint arrangements, as set out in the report, derives from s.111 Local Government Act 1972 (power to do anything calculated to facilitate, conducive to or necessary for the carrying out of any of the Council's functions) and s.1 Localism Act 2011 (general power of competence).
<u>Other Legal Implications:</u>	
13.	All relevant procurement legislation must be complied with in entering into joint contract arrangements.
POLICY FRAMEWORK IMPLICATIONS	
14.	The proposals are not contrary to the Council's policy framework.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	ALL

<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Proposed Procurement Process
2.	Equality and Safety Impact Assessment
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
Other Background Documents	
Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

Time Line for Proposed Procurement Process

Contract let by Hampshire County Council

This would involve Hampshire County Council (HCC) tendering for the operation of all 26 HWRC sites in Hampshire including the Southampton City Council (SCC) City Depot HWRC site.

HCC will be able to incorporate any specific contract variations that SCC require by letting a contract that allowed operational site variations to be easily incorporated. This would be a 24 (HCC) + 1(SCC) + 1 (PCC - Portsmouth City Council) contract.

HCC's outline time line for contract award is as follows:

item	date
Supplier market engagement	complete
Tender specification	complete
PQQ (Pre-qualification questionnaire)	complete
PQQ evaluation complete – 6 bidders for contract	complete
Submission of ISOS (Invite to submit outline solution)	16 April 2015
Completion of ISOS evaluation and reduce number of bidders from 6 to 3	15 May 2015
Dialogue sessions	15 June 2015 to 21 August 2015
Submission of ISFT (Invite to submit final tenders)	08 October 2015
Completion of ISFT evaluation	06 November 2015
Preferred bidder identified	09 November 2015
Contract Mobilisation	09 December 2015
Contract Start	01 April 2016

The core service provision will be as set out in a detailed specification and will not be open to dialogue. The areas for dialogue will be those areas where the contractors have experience and specialist knowledge that would bring both financial and service added value to the HWRC operations.

The areas for dialogue are as follows;

- Increasing the range of materials that can be recycled, such as carpets and mattresses, to maximise landfill diversion thereby reducing costs;
- Working in partnership with the voluntary sector to maximise the amount of material that can be diverted to reuse;
- The option of accepting business waste from SMEs (Small and Medium Enterprises) at the HWRC to help them increase opportunities to recycle their waste. This would be for a reasonable charge generating the Council an income stream and maximise the use of its HWRC site whilst minimising any impact on the public;

- Working with Portsmouth and Hampshire on developing a range of options for residents who are looking to deliver in large amounts of DIY type wastes as detailed below.

DIY Type Waste

The Council currently accepts small amounts of DIY waste, such as soil / rubble and plasterboard from residents carrying out minor household alterations. However residents who carry out larger type DIY jobs themselves are finding that this material is expensive to dispose of via commercial waste disposal sites. The quantities they have are too large for the HWRC sites to currently accept.

The dialogue process will look at examples of best practice elsewhere in the UK where other authorities have started to offer facilities at their HWR sites for residents to recycle larger quantities of DIY type wastes. The services offered provide residents with an easier to use and cheaper method of recycling material from larger DIY type jobs than commercial outlets. In these cases the Councils have levied a small charge for the management of these types of material.

Soil / rubble and plasterboard are not classified as household type wastes and so the Council is under no obligation to accept these at its HWRC sites.

It will be up to the Council as to which of the above options, being evaluated under competitive dialogue, it wishes to take forward for its City Depot HWRC site.

Contract Term

The Contract duration will be 14 years and 9 months until 31 December 2030 and will include a performance related break clause at the end of year 7. This will bring the HWRC contract end date in line with the end date for the main waste disposal contract with Veolia.

The contract requires that management costs are split up into two areas as follows:

- Central management charges for head office functions;
- Individual site management and staff costs.

This will mean the Council being recharged actual site costs plus a percentage of central management charges; this gives flexibility for individual sites to operate in different ways.

A joint contract would allow for economies of scale with the contractor able to discount costs based on the operation of 26 sites.

Southampton City Council Stand Alone Contract

A stand-alone contract was considered but would be difficult to operate due to the integrated nature of the waste management arrangements between SCC, PCC and HCC. The disadvantages of a separate management contract would be:

- Not benefit from economies of scale of a joint contract;
- Require SCC to cover costs associated with procurement;
- Require a greater level of contract management by SCC;
- Would be difficult to integrate into the current HWRC and disposal contract management arrangements.

The new contract has flexibility to allow SCC to operate the City Depot HWRC in a way that best suites its needs within the framework of the HCC contract.

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Equality and Safety Impact

The **public sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with section 17 of the Crime and Disorder Act and will enable the council to better understand the potential impact of the budget proposals and consider mitigating action.

<p>Name or Brief Description of Proposal</p>	<p>A new operating contract for the City Depot Household Waste Recycling Centre (HWRC) from 1 April 2016. The proposal is for the contract to be let by Hampshire County Council on behalf of Southampton and Portsmouth Councils for all 26 HWRC sites in Hampshire.</p>
<p>Brief Service Profile (including number of customers)</p>	<p>The provision of HWRC facilities for Southampton residents to dispose of their bulky waste costs the Council close to £1 million per year; of which approx. 20% of this is site management costs and 80% are costs related to disposing of the waste deposited by residents.</p> <p>The operation of the Council’s HWRC site has always been as part of a joint arrangement for the operation of all 26 HWRC sites in Hampshire. The current operating contract is with Hopkins Recycling Ltd and expires on 31 March 2016.</p> <p>During the summer the average number of vehicles using the HWRC site can vary from over 100 per hour during peak hours to less than 20 during the last hour of the day.</p>
<p>Summary of Impact and Issues</p>	<p>The new contract will be developed using examples of best practice within the operation of HWRC’s nationally which will support the Council’s aim of providing good value services at less cost. The main areas of site operations that are likely to be effected are:</p>

	<ol style="list-style-type: none"> 1. Increasing the range of materials that can be recycled, such as carpets and mattresses, to maximise landfill diversion thereby reducing costs; 2. Working in partnership with the voluntary sector to maximise the amount of material that can be diverted to reuse; 3. The option of accepting business waste from SMEs (Small and Medium Enterprises) at the HWRC to help them increase opportunities to recycle their waste. This would be for a reasonable charge generating the Council an income stream and maximise the use of its HWRC site whilst minimising any impact on the public. 4. Working with Portsmouth and Hampshire on developing a range of options for residents who are looking to deliver in large amounts of DIY type wastes.
Potential Positive Impacts	<p>Increasing the range of materials that can be recycled on site and working in partnership with the voluntary sector (1 and 2) would reduce costs, reduce environmental impacts and have a positive impact on residents using the HWRC site.</p> <p>Accepting waste from SMEs (3) would reduce both the costs and environmental impacts of their waste.</p> <p>The acceptance of large amounts of DIY waste (4) from residents would provide them with a cost effective, efficient and easy to use recycling / disposal route for this waste.</p>
Responsible Service Manager	<u>Michael Thomas - Waste Strategy and Disposal Manager</u>
Service Manager	<u>Colin Rowland - Waste, Fleet and Sustainability Manager</u>
Date	<u>23/03/2015</u>

Approved by Senior Manager	<u>Mitch Sanders – Head of Regulatory and City Services</u>
Signature	
Date	<u>23/03/2015</u>

Please note: this ESIA will be updated once the proposed changes are confirmed.

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	Residents have difficulty in separating additional materials for recycling or reuse (1 and 2)	Clear signage and publicity would be provided on site and via the web site. Additional site staff would be available at the start of the new contract to assist.
Disability		
Gender Reassignment		
Marriage and Civil Partnership		
Pregnancy and Maternity		
Race		
Religion or Belief		
Sex		
Sexual Orientation		
Community Safety		
Poverty	Charges for large amounts of DIY waste (4)	Charges would be lower than available through commercial outlets. The charging mechanism would be simple, quick to use and reduce costs where materials were predominately recyclable.
Other Significant Impacts	Allowing SMEs to use the HWRC site (3) could increase the time it takes for residents to use the HWRC site	Impacts would be reduced by restricting the number of SMEs allowed to use the HWRC site. SMEs would be required to deliver in waste and recycling that had been

		pre-segregated to reduce time on site. The council will work with SMEs to profile their deliveries around the HWRC quiet times of Tuesday / Wednesday / Thursday.
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Agenda Item 11

DECISION-MAKER:		CABINET COUNCIL	
SUBJECT:		HRA SCHEME APPROVAL 2015/16 to 2019/20	
DATE OF DECISION:		21 APRIL 2015 20 MAY 2015	
REPORT OF:		CABINET MEMBER FOR HOUSING AND SUSTAINABILITY	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Geoff Miller	Tel: 023 8083 4987
	E-mail:	Geoffrey.miller@southampton.gov.uk	
Director	Name:	Alison Elliott	Tel: 023 8083 2602
	E-mail:	Alison.elliott@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
Not applicable.			
BRIEF SUMMARY			
<p>This report seeks formal approval in accordance with Financial Procedure Rules for expenditure on various housing projects. These projects will contribute to the Council's strategic housing objectives through improving facilities on our estates; and the well-being and the satisfaction of our residents in the areas where they live.</p>			
<p>The proposals are consistent with the HRA Business Plan and Capital Programme approved by the Council on 11th February 2015. As part of our approach to Self-Financing the Council is required to plan for longer term investment in our housing stock and as such the Council agreed to a detailed 5 year Capital Programme. In order to deliver this programme and secure suitable procurement efficiencies, we now need to seek Scheme Approval to progress with planning, procurement and delivery of the associated projects, many of which are significant in nature and therefore require suitable lead-in time.</p>			
<p>The proposed works cover elements under the headings of:</p> <ul style="list-style-type: none"> • Safe, Wind and Weather Tight • Modern Facilities • Well Maintained Communal Facilities • Warm and Energy Efficient 			
RECOMMENDATIONS:			
(i)	<p>Cabinet: to approve in accordance with Financial Procedure Rules expenditure of £4,751,000 phased as follows:</p> <ul style="list-style-type: none"> • £1,548,000 in 2015/16 • £3,203,000 in 2016/17 <p>Provision for which exists within the Safe, Wind and Weather tight; Modern Facilities; Well Maintained Communal Facilities and Warm and Energy Efficient sections of the HRA Capital Programme as detailed in the table below.</p>		

Safe, Wind and Weather Tight	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	000s	000s	000s	000s	000s	000s
Renew Canopies	10	130	0	0	0	140
Renew Porches	10	200	0	0	0	210
Windows	0	978	0	0	0	978
Wall Structure and Finish	134	372	0	0	0	506
Total for Safe, Wind and Weather Tight	154	1680	0	0	0	1834
Modern Facilities						
Programme Management Fees	59	643	0	0	0	702
Tenant Alterations Budget	7	268	0	0	0	275
Total for Modern Facilities	66	911	0	0	0	977
Well Maintained Communal Facilities						
New Build Lift at Block 1-62 Rozel Court	500	0	0	0	0	500
Total for Well Maintained Communal Facilities	500	0	0	0	0	500
Warm and Energy Efficient						
Landlord Meter Conversion	189	194	0	0	0	383
Renewable Energy Sources	300	318	0	0	0	618
Communal Shed/Store Areas	0	50	0	0	0	50
Renew Communal Windows	50	50	0	0	0	100
Utility Supplies Communal	289	0	0	0	0	289
Total for Warm and Energy Efficient	828	612	0	0	0	1440
TOTAL	1,548	3,203	0	0	0	4,751

(ii) **Council:** To approve in accordance with Financial Procedure Rules capital expenditure of £32,890,000 phased as follows:

- £2,806,000 in 2015/16
- £22,233,000 in 2016/17
- £3,720,000 in 2017/18
- £2,150,000 in 2018/19
- £1,981,000 in 2019/20

For which provision exists within the Warm and Energy Efficient, Well Maintained Communal Facilities, Safe, Wind and Weather tight and Modern Facilities sections of the HRA Capital Programme as detailed in the table below.

	2015/16	2016/17	2017/18	2018/19	2019/20	Total
	000s	000s	000s	000s	000s	000s
Safe, Wind and Weather Tight						
Roof Finish – Flat	0	642	1168	1000	0	2810
Structural Works	0	4398	0	0	0	4398
Total for Safe, Wind and Weather Tight	0	5040	1168	1000	0	7208
Modern Facilities						
Electrical Systems	2158	2811	0	0	0	4969
Housing Refurbishment Programme	0	7946	0	0	0	7946
Total for Modern Facilities	2158	10757	0	0	0	12915
Well Maintained Communal Facilities						
Decent Neighbourhoods Improvement	648	750	1102	0	0	2,500
Lift Refurbishments	0	700	1450	1150	1981	5281
Total for Well Maintained Communal Facilities	648	1450	2552	1150	1981	7781
Warm and Energy Efficient						
External Cladding	0	4986	0	0	0	4986
Total for Warm and Energy Efficient	0	4986	0	0	0	4986
TOTAL	2,806	22,233	3,720	2,150	1,981	32,890

REASONS FOR REPORT RECOMMENDATIONS	
1.	Financial Procedure Rules state that all schemes already in the Capital Programme under £500,000 can be approved by the Chief Officer in consultation with the Chief Financial Officer (CFO) and Cabinet Member, those between £500,000 and £2M will require Cabinet Approval and those with a total value above £2M will require the approval of full Council. The schemes in this report fall into all of these categories but are presented in one report for completeness.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	There have been various consultation meetings with Tenant Groups and Leaseholders during the last 12-18 months with regard to the proposed programme of Capital expenditure associated with the Housing Revenue Account (HRA) and the Council's Self-Financing regime.
3.	These works form part of the approved 5 year Capital Programme (formally approved on 11 th February 2015).
4.	Parts of the works identified will contribute to the proposed Energy Company Obligation (ECO) works and are critical in enabling the Council to obtain the maximum grant funded contribution for this project.
5.	The alternative option of not undertaking the works identified would leave the Council's homes and surrounding areas in their present condition and would not accord with the view expressed during the consultation process or with the Council's policy of providing homes that comply with the four agreed headings of: <ul style="list-style-type: none"> • Safe Wind and Weather Tight • Warm and Energy Efficient • Modern Facilities • Well Maintained Communal Facilities
DETAIL (Including consultation carried out)	
6.	This report seeks permission to proceed with the development, procurement and implementation of Capital projects which form part of the HRA Capital Programme for 2015/16, 2016/17, 2017/18, 2018/19 and 2019/2020. This report deals with those schemes that are currently ready for approval.
7.	The programme outlined in this report is consistent with the HRA Business Plan approved by Cabinet and Council in February 2015.
8.	A key role in the development of the Capital Programme has been the involvement of the Tenant Focus Group, Block Wardens, Tenant representatives, Leaseholders and staff. Tenants and Leaseholders have also been closely involved in the production of our long term Business Plan for future investment.
9.	Under Self-Financing, our stock condition database (Keystone) is crucial to planning the works needed to our housing stock. As part of our approach to developing a Business Plan we have identified, through the stock database, the properties where work is required over the next five years and we are now in a position to strategically plan the investment needed to complete the work identified.
10.	In addition, the overarching aims of the Decent Neighbourhood Programme are to improve the appearance of the external environment and to make the area safer in order to directly benefit residents as well as improving visitors' perception of the areas and to engage with residents and promote community spirit and pride which contributes to a

	more sustainable community.
11.	Therefore, the budgets identified and for which approval is sought, are determined by the detail from our stock database to which we have then applied an accepted industry calculation for estimated value based upon known costs and Building Research Establishment (BRE) National average at this time.
12.	The details in the tables above are therefore provided based upon the specific property assessments undertaken and is presented in unit quantities with a more detailed description of the work to be undertaken in the paragraphs below.
	Safe Wind and Weather Tight
	Cabinet
13.	<p>Renew Canopies:</p> <p>A number of houses across the City still have their original front door canopies/covers. Following recent inspections it has been determined that there is a need for a planned replacement programme due to either the wood supports moving or the roofing slates/tiles leaking. In addition to which, in some circumstances, the actual weight of the canopy has caused movement and will need additional support. It is envisaged that most of these works will be incorporated within other Capital schemes over the next two years with 125 properties receiving such works across Millbrook, Swaythling and Merry Oak areas of the City.</p>
14.	<p>Renew Porches:</p> <p>Within the HRA portfolio there are properties where a front porch exists and which is attached to the property. A small number of these are falling into disrepair and will need either replacing or being totally removed. In addition to which investment is needed to other dwellings to carry out essential maintenance to prevent these requiring full replacement in the future. It is envisaged that over the next two years 175 properties will receive such works across Thornhill, Sholing, Weston, Swaythling and Harefield areas of the City.</p>
15.	<p>Windows:</p> <p>As part of the forthcoming ECO project it is vital that whilst the external faces of Meredith Towers, Dumbleton Towers, Hightown Towers, Albion Towers, Shirley Towers and Sturminster House tower blocks are being insulated, the windows are replaced at the same time (by utilising the same access equipment there is a saving to the HRA). In addition to the tower blocks, there are nine medium rise blocks to be externally clad in Thornhill and these properties will also receive new windows. An existing scheme to replace the original metal double glazed windows (which were the first double glazed units to be installed in the City) commenced in 2014/15 and this project is to continue and be extended across the City. In addition to this, windows to the medium rise blocks at Holyrood will be replaced as they are reaching the end of their serviceable life and installation will be programmed alongside the proposed decoration project for this area. It is envisaged that approximately 1000 flats will benefit from these proposed works.</p>
16.	<p>Wall Structure and Finish:</p> <p>There are a number of properties where the external walls need treatment to prevent ingress of water, preventing damp and mould occurring. The majority of works will involve repointing to brickwork as well as repairs to external rendering and in several locations replacement UPVC to the original wooden "tongue and groove" curtain walling. In addition, some areas of brickwork will require a coating of sealant as they have, over many years, lost their "face" protection and become porous. It is envisaged that 100</p>

	properties across the City will benefit from this project.
	Council
17.	<p>Roof Finish Flat:</p> <p>As part of the forthcoming ECO works it would be pointless to address all the external areas of a building with the exception of the roof. As part of the requested funding, works to six tower blocks (Dumbletons, Meredith, Hightown, Shirley and Albion Towers and Sturminster House) will receive newly insulated roofs and roof coverings. In addition to these, there are a number of medium rise blocks across the City where the existing flat roof is reaching the end of its serviceable life and needs to be replaced before leaks occur into the flats below. It is envisaged that in addition to the six tower blocks, 30 medium rise blocks across the City will have newly insulated and covered roofs over the next four years.</p>
18.	<p>Structural Works:</p> <p>Given the type and age of Council properties it is essential that regular structural investigations are carried out, together with any remedial works identified. Under the current Strategic Services Programme (SSP) Agreement, Capita are to carry out the surveys, document and report on their findings and also oversee any works required. The approximate levels of surveys/works is a 40% surveys to 60% works split. The Structures Team have a detailed five year rolling programme of tower block inspections and works, which over the period of 2016/17 will see inspections to Shirley, Sturminster, Albion and Millbank House tower blocks, 91 medium rise blocks and 50 low rise blocks. In 2014/15 we started a project to reinforce communal walkways to low rise residential blocks in a number of areas across the City. As part of this project, anti-slip coatings were laid to the walkways together with improved lighting and these improvements have been warmly welcomed by our residents and visitors alike. Our professional structural engineers have continued their surveys across the City in 2014/15 which has resulted in a number of additional blocks being identified that require identical works. The intention is to continue this well received project to a further 46 low-rise blocks across the City with all works being completed by the end of the 2017/18 financial year which will see a total of 197 blocks having received such works at this time.</p>
	Modern Facilities
	Cabinet
19.	<p>Programme Management Fees:</p> <p>There are certain fees involved with managing the programmes of work included within the HRA Capital Programme that are not charged to individual schemes. Separate Scheme Approval is therefore sought for these essential programme management fees.</p>
20.	<p>Tenant Alterations:</p> <p>Many tenants have over previous years carried out both internal and external alterations to their homes without first seeking permission from the Council. However, if Council employees have failed to report any alterations to a Council property at the time of a visit and within six months of the installation/alteration, then it is deemed that the alterations are accepted by the Council and as such we now have a repair responsibility. Strict processes have now been put in place to try to prevent any further unapproved works being carried out, but the Council now has an obligation to carry out repairs to existing items such as porches, conservatories and extensions. During 2015/16 properties where remedial works are necessary will be identified, with a programme of remedial works commencing in 2016/17.</p>
	Council

21.	<p>Electrical Systems:</p> <p>In accordance with National guidelines, all communal areas within the Council's housing stock have the electrical wiring checked every five years and individual dwellings receive an electrical check every five years. (If a property is void and/or receiving major works during the 10 years, an additional check is carried out and certificated). These checks have identified a number of areas where the electrical system is reaching the end of its serviceable life and needs total replacement. Electrical rewiring of properties will commence as part of the Housing Refurbishment Programme (HRP) which will see 450 dwellings and 30 communal areas rewired in 2015/16, then 600 dwellings and 55 communal areas rewired in 2016/17. In addition to the rewiring, this programme will bring installations up to the current edition of the IEE Regulations providing additional safety devices and therefore protecting all users.</p>
22.	<p>Housing Refurbishment Programme:</p> <p>The current programme of works continues to deliver a high number of refurbished kitchens and bathrooms across the City, together with a high level of customer satisfaction. Approvals have already been granted for 2015/16 but there is a requirement to obtain approval for 2016/17 which is the final year of this procured contract. This will allow our contractors to plan ahead and provide cost savings to the Council by amalgamating addresses into their programmes. It is envisaged that for the amount requested 700 kitchens and 950 bathrooms will be refurbished across all wards within Southampton.</p>
Well Maintained Communal Facilities	
Cabinet	
23.	<p>New Build Lift at Block 1-62 Rozel Court:</p> <p>With the successful completion of new build external lifts at Milner Court, Neptune Court and James Street, it is proposed to build a new external lift which complies with the Equalities Act. The residents within this block are a mix of able-bodied, disabled and high care tenants and the existing lift does not allow for disabled access or provision for stretchers. The new lift will allow tenants to remain independent in their homes.</p>
Council	
24.	<p>Decent Neighbourhoods: Estate Improvement Programme 2015/16:</p> <p>Every year an element of funding is awarded to each Housing Office to invest locally to benefit the residents of these areas. Residents and tenants on every estate have the opportunity of influencing where this funding is spent by working collaboratively with both the Housing staff and the Housing Offices. The funding of £200K per annum will be utilised on a number of small schemes across the City including items such as security, signage, waste management, lighting, fencing and planting.</p>
25.	<p>Decent Neighbourhoods – Rotterdam Towers:</p> <p>After the completion of all the Community Energy Savings Programme (CESP) funded energy efficiency works to International Way it has become apparent that there is a need for additional parking provision at Rotterdam Towers. Consultation has been carried out with residents and a scheme developed at a cost of £150K will deliver 22 additional parking spaces and associated landscaping improvements in 2015/16.</p>
26.	<p>Decent Neighbourhoods – Rozel Court:</p> <p>Following the completion of the new external lift at Rozel Court together with the new scooter store there will be a requirement to address the existing green/garden space in and around both blocks. This report seeks approval for £74K to be allocated in 2015/16</p>

	to enable landscaping works similar to those already completed at Milner Court.
27.	<p>Decent Neighbourhoods: Cuckmere Lane and Studland Close:</p> <p>The Cuckmere Lane and Studland Close project will form part of the roll out of environmental improvements across the City. Specifically with agreed funding across three years, this project aims to achieve the following:</p> <ul style="list-style-type: none"> – to improve parking facilities for residents and mitigate the impact of the two local schools on parking in the area; – to resurface and redesign pathways; – to improve entrances to blocks by making them safer, accessible and welcoming; – to improve waste and recycling facilities; – to consider improvements to the lighting in the area for both functional and aesthetic purposes; – to improve the quality of ‘green’ spaces in the area by planting new trees, shrubs and bulbs; – to provide a community garden for residents to give them an opportunity to have somewhere pleasant to sit outside and to be involved in the maintenance of the garden; – to consider what options might be possible to screen the two major roads which border the bottom of Cuckmere Lane (the M271 and A33) and to consider whether there are any options for soundproofing to reduce traffic noise; – to improve the existing play area for local children to enjoy; – to replace all existing block signage with modern, legible signage; – to install some community artwork in the area and give residents an opportunity to become really involved in the design and possibly the creation of this artwork. – It is envisaged that in 2015/16 specification and procurement will be carried out in 2016/17 works will commence and completed within the 2017/18 financial year.
28.	<p>Lift Refurbishments:</p> <p>Lifts are a vital part of our communities and need to be both dependable and suitable for use. In previous Scheme Approval Reports a number of both new build lifts and lift refurbishment programmes have been approved and these projects are nearing completion. Housing Investment has recently inspected a further 10 lifts to assess the expected duration of their serviceable life. This report has identified the need for the following projects:</p> <ul style="list-style-type: none"> • 2016/17 Lift Refurbishments at Graylings, Canute House and St James House; • 2017/18 Lift Refurbishments at Albion Towers and Holyrood House; • 2018/19 Lift Refurbishment at Shirley Towers; and • 2019/20 Lift Refurbishment Sturminster House and remedial works to other lifts across the City as required.
	Warm and Energy Efficient
	Cabinet
29.	<p>Landlord Meter Conversions:</p> <p>As part of the CESP works at International Way, tenants and residents were set up with their own “pay as you go meter” instead of having a set heating charge levied at them. Due to all the energy saving works being completed, this has resulted in major savings to the tenants. The proposal is that as part of the forthcoming ECO works this option will be “rolled out” to some 1,000+ homes within the Thornhill, Shirley and Maybush areas of the City.</p>

30.	<p>Renewable Energy Sources:</p> <p>The Council has over the last three years installed a number of Renewal Energy Sources across the City including PV (Photo Voltaic) systems on roofs and the installation of low energy LED light fittings. As part of the forthcoming ECO (Energy Companies Obligation) project this type of energy saving work is to be extended to the three tower blocks in Thornhill, Shirley Towers, Sturminster House and Albion Towers as well as Milner Court and 9 medium-rise blocks in Thornhill.</p>
31.	<p>Communal Shed/Store Areas:</p> <p>During recent cyclical decorating works a number of wooden doors have been identified as reaching the end of their serviceable life. A successful trial of Glass Reinforced Plastic doors and frames has been carried out which will reduce future maintenance as well as provide additional/stronger security. The proposal is to procure a company in 2015/16 and commence installations in 2016/17 with some 150 shed doors being replaced across the City with more in future years.</p>
32.	<p>Renew Communal Windows:</p> <p>Housing Investment has replaced many windows across the City as part of its window replacement programme but this is strictly limited to occupied areas only. There is now a need to commence a parallel programme of works which will see communal windows replaced with UPVC double glazed units which reduce future maintenance costs and also reduce any associated heating costs. It is envisaged that approximately 250 windows will be replaced between 2015 and 2017 Citywide but will also be aligned with the main window replacement programme to save costs on access equipment.</p>
33.	<p>Utility Supplies – Communal:</p> <p>Recent Investigations and reporting by Housing Investment have identified a number of areas across the City where water quality will become an issue if pipes and storage tanks are not replaced in the future. A programme is already being planned and some successful trials have taken place with minimal disruption to residents/tenants. It is envisaged that approximately 250 medium-rise blocks across all wards will benefit from this programme.</p>
Council	
34.	<p>External Cladding :</p> <p>In previous Scheme Approvals funding has been approved for some of the ECO works. With the procurement of ECO now being finalised and the provision of full cost estimates, we are now in a position to request the final tranche of funding to complete the full scheme of works. Housing Investment can now confirm that all the following blocks will benefit from external cladding: Meredith Towers, Dumbletons Towers, Hightown Towers, Shirley Towers, Albion Towers and Sturminster House in addition to which nine medium rise blocks in Thornhill and 10 x three storey townhouses in the Kingsland area of the City.</p>
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
35.	<p>There are sufficient funds available within the HRA Capital budget to meet the requirements of the proposed schemes. In addition, a number of the items will represent an investment that will support an ongoing reduction in revenue expenditure within the HRA. Obtaining Scheme Approval in this way minimises administration plus officer and member time, plus maximises the potential for wider procurement efficiencies from longer term planning.</p>

<u>Property/Other</u>	
36.	The HRA Capital Programme is fully reflected in the Corporate Property Strategy.
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
37.	There are no specific legal implications in connection with this report. The power to carry out the proposals is contained within Part 2 of the Housing Act 1985.
<u>Other Legal Implications:</u>	
38.	None
POLICY FRAMEWORK IMPLICATIONS	
39.	The proposed schemes in this report contribute positively to the Council's objectives set out in the Housing Strategy and HRA Business Plan to maintain and improve the condition of the City's housing stock.

KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	
	All wards
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Equality and Safety Impact Assessment
Documents In Members' Rooms	
1.	None
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes
Other Background Documents	
Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None



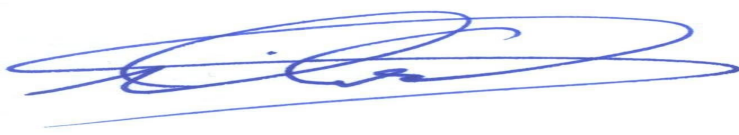
Equality and Safety Impact Assessment Appendix 1

The **public sector Equality Duty** (Section 149 of the Equality Act) requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between different people carrying out their activities.

The Equality Duty supports good decision making – it encourages public bodies to be more efficient and effective by understanding how different people will be affected by their activities, so that their policies and services are appropriate and accessible to all and meet different people’s needs. The Council’s Equality and Safety Impact Assessment (ESIA) includes an assessment of the community safety impact assessment to comply with section 17 of the Crime and Disorder Act and will enable the council to better understand the potential impact of the budget proposals and consider mitigating action.

Name or Brief Description of Proposal	HRA SCHEME APPROVAL 2015/16 TO 2019/20
Brief Service Profile (including number of customers)	Expenditure on various housing projects which will contribute to the Council’s strategic housing objectives through improving facilities on our estates, the well-being and satisfaction of our residents in the areas where they live. Works will be citywide and will affect in excess of 5,000 residents.
Summary of Impact and Issues	Specifically the Energy Company Obligation (ECO) which will see 6 tower blocks across the city externally insulated along with 9 medium rise blocks and 10 3-storey houses. Other major works include a 5 year detailed programme of lift refurbishments and new build lifts across the city ensuring that residents and visitors alike are able to access their homes in a safe and reliable manner.
Potential Positive Impacts	With the introduction of the ECO project together with new roofs, windows and district heating systems. The Council’s carbon footprint will be dramatically reduced. The continued programme of adaptations across the city allows individuals and families to remain in their homes and carry on life as normal. Other works align to the

	Council's strategic housing objectives.
Responsible Service Manager	<u>Geoff Miller</u>
Date	<u>9 April 2015</u>

Approved by Senior Manager	<u>Nick Cross</u>
Signature	
Date	<u>9 April 2015</u>

Potential Impact

Impact Assessment	Details of Impact	Possible Solutions & Mitigating Actions
Age	Lifts out of service for long durations of time.	5-year programme of refurbishment and new build lifts
Disability	Residents with disabilities not being able to live in their homes.	Carry out modifications to existing properties to enable residents to stay in their own homes.
Gender Reassignment	No specific impact.	
Marriage and Civil Partnership	No specific impact.	
Pregnancy and Maternity	No specific impact	
Race	No specific impact	
Religion or Belief	No specific impact	
Sex	No specific impact	

Sexual Orientation	No specific impact	
Community Safety	Unauthorised access to communal areas and individual sheds in blocks, anti-social behaviour.	New door entry systems, GRP shed doors, improving neighbourhood areas with new lighting, CCTV.
Poverty	Old and costly heating systems.	All of the associated ECO works and independent pre-pay metering will reduce individuals' heating costs.
Other Significant Impacts		

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DECISION-MAKER:		CABINET	
SUBJECT:		MAYFLOWER PARK – SPITFIRE MEMORIAL DISPOSAL OF PUBLIC OPEN SPACE	
DATE OF DECISION:		21 APRIL 2015	
REPORT OF:		LEADER OF THE COUNCIL	
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Ali Mew	Tel: 023 8083 3425
	E-mail:	Ali.Mew@capita.co.uk	
Director	Name:	Mark Heath	Tel: 023 8083 2371
	E-mail:	Mark.Heath@southampton.gov.uk	
STATEMENT OF CONFIDENTIALITY			
None			
BRIEF SUMMARY			
<p>Southampton City Council has been working with the National Spitfire Project a registered charity to provide a memorial for the City to celebrate the world wide importance of the Spitfire engineering and commemorate the human sacrifice of all those involved in the construction and flying of the Spitfire. It is proposed to erect a memorial of a Spitfire in flight in Mayflower Park. The design has secured planning approval, and the Charity now need to progress with fund raising to bring about the installation. Its location within Mayflower Park has been chosen to integrate with the Royal Pier development proposals. The Council propose to grant the Charity a long lease (150 years) for the site of the memorial. Mayflower Park is Public Open Space and the Council is required to advertise its intentions to dispose of land and seek and consider any representation made following the advertisements.</p>			
RECOMMENDATIONS:			
	(i)	To delegate authority to the Director, Place following consultation with the Head of Economic Development and Housing renewal to determine the form and extent of the area of Mayflower Park required within the final location for the formation of the installation.	
	(ii)	To authorise the Head of Legal and Democratic Services to advertise the proposed disposal of part of Mayflower Park for two consecutive weeks in a local newspaper circulating in the locality.	
	(iii)	To delegate Authority to Director of Place following consultation with the Cabinet Member for Resources and Leisure to determine any objections received from the adverts and to make a final decision as to whether or not to approve the disposal in light of any such objections.	
	(iv)	To approve the terms of the disposal as set out within the report and to delegate authority to the Head of Economic Development and Housing Renewal to agree final terms with the National Spitfire Project.	

	(v)	To approve the acquisition of a small section of Crown Estate land (seabed), which will be subject to the overhang of the memorial and to delegate authority to Head of Economic Development and Housing Renewal to agree final terms for the acquisition.
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REASONS FOR REPORT RECOMMENDATIONS

1.	The National Spitfire Project have secured Full Planning Consent for the installation of a Spitfire Memorial. The planning consent is for the installation to be erected within Mayflower Park on the Solent edge of the park with a small proportion of the structure overhanging the waterfront. The design is shown in Appendix 1.
2.	The Council recognises that the National Spitfire Project requires certainty over the siting of the installation in advance of commencing fund raising. This report enables the council to progress with agreeing the final location of the memorial, advertising the disposal and agreeing terms. These actions will provide the Charity the certainty required to fund raise.
3.	The design provides for an overhang over the water which is within the ownership of the Crown Estate. The acquisition enables the council to grant a single lease over the land upon which the memorial will be sited including the overhang, this removes the necessity for two leases to be granted for this single installation.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4.	Refuse the Charity's request to install the Memorial within the grounds of Mayflower Park, this has been rejected as the Park is seen as a highly suitable location in relation to the Royal Pier development and in improving access to the waterfront whilst enhancing the parks overall appeal.
5.	Delay the matter until Royal Pier has progressed for the installation of the memorial. This has been rejected as the Charity need sufficient time to secure funding for the construction and installation of the Memorial and to be certain the project has the necessary consents and approvals in place for its location.

DETAIL (Including consultation carried out)

6.	Southampton is integral to the story of the Spitfire. The prototype Spitfire first flew from Southampton airport and production of the earliest models were based at the Supermarine factory in Woolston. This was bombed in the second world war with great loss of life to local workers. Production continued in and around Southampton dispersed in locations as varied as bus garages and laundrettes. The bravery of Southampton people in continuing to build the Spitfire under constant threat of enemy bombing raids was crucial in the protection of England, and the Allie's eventual victory.
7.	At this time the Spitfire possibly touched the lives of almost every family in Southampton. The difficulties in building the Spitfire in this way cannot be underestimated when one considers the fact that this was done during the height of the Blitz and very often by unskilled labour. A large part of the workforce were women and young men, as most eligible men were out fighting for their country. The Spitfire was to remain in production throughout the entire War and eventually over 22,000 of the aircraft were built.

8.	<p>For a number of years work has been on-going to find a suitable site to install a fitting memorial to the Spitfire within the City. It is of particular importance that the Memorial should be located within a suitable environment which provides the maximum opportunity for viewing that is freely accessible to the public and visitors to the City and is in essence a national landmark.</p> <p>Mayflower Park is seen as such a location, providing an appropriate setting for the Memorial, enhancing the waterfront and the park's overall amenity, the location is shown in the documentation in Appendix 1. Plans for the Royal Pier Waterfront project include ambitious plans to reshape Mayflower Park. The siting the Memorial within this new high quality environment will enhance the waterfront access particularly with the overhang which will provide a viewing platform and provide a spectacular setting for this important memorial.</p>
9.	<p>The National Spitfire Charity has secured full planning consent for the installation in this location. A large proportion of the Memorial will be within the Park with a small proportion over hanging the water. The water over-hang (seabed) is within ownership of Crown Estate.</p>
10.	<p>Mayflower Park is a public park and is public open space within the meaning of the Local Government Act 1972. A disposal of public open space (lease greater than 7 years) needs to be advertised for two consecutive weeks in a newspaper in the locality. A granting of a lease for 150 years to the Memorial Trust will require the advertising procedure to be undertaken and any objections being formally considered before any final decision whether or not to approve the disposal is made.</p>
11.	<p>The installation of the Memorial has been subject to the full planning application procedures which has included public consultation this showed that the project is widely supported by the public. There now needs to be direct consultation relating to the loss of public open space. There will include a programme of consultation with the key stakeholders and the Open Spaces Societies and Groups prior to advertisement.</p>
12.	<p>In order to facilitate the project, the Crown Estate has offered to sell off the area of seabed (land) over which the memorial will over hang to the City Council at a nominal cost, in order to make the matter more manageable in terms of lease arrangements. The intention being the City Council will acquire the land prior to the granting of a 150 years lease to the Charity. The basic terms are set out in Appendix 3.</p>
13.	<p>The project will also require the approval of Associated British Ports (ABP), as the Memorial will be located upon the revetment wall which retains Mayflower Park. ABP are responsible for the repair and maintenance of the revetment wall. The Memorial will rest upon the wall and pile into it for structural stability and will place load upon the wall. ABP's consent will be secured during the project programme</p>
14.	<p>The installation of the Memorial will be undertaken in tandem with the reclamation of the waterfront to form the new Park as part of the Royal Pier Development to ensure the installation can be co-ordinated with the wider park improvements. There is a project team for the installation of the Memorial, which will manage the installation.</p>
15.	<p>Whilst the location of the Memorial is known by reference to the planning application the actual area of land to be leased is still to be determined given</p>

	any requirements for repair and maintenance. The area to be leased to the Trust will be determined once the full implications of the structural maintenance liabilities are known. The lease area will then be determined and the disposal will be advertised accordingly.
16.	The Charity will be liable for the full repair and maintenance of the Memorial. The terms of the 150 year lease are set out in Appendix 2.
17.	The base plinth of the memorial will be publically accessible providing public access out over the water. Discussions are also on-going about how the memorial can be positively and sensitively used as part of the Southampton International Boat Show.

RESOURCE IMPLICATIONS

Capital/Revenue

18.	Capital Implications: There are no capital implications identified for the cost of construction as installation of the memorial is being met fully by the National Spitfire Charity.
19.	There is a small amount of expenditure (£150) for the acquisition of the seabed from the Crown Estate, which will be met from existing budgets.
20.	Revenue Implications: There are no revenue implications as the letting will not generate a rental income and repair and maintenance will be with the National Spitfire Charity.
21.	The Charity will be required to repair and maintain the Memorial for the duration of the 150 year lease. In this regard there is an expectation the Charity provide for a sinking fund or similar and suitable contractual arrangements to deliver day to day repair and maintenance to address any minimal repairs and cleaning and to provide a Preventative Programme of Maintenance for a structure of this nature and design. The Charity will need to address these requirements as part of their fund raising and demonstrate to the Council that these arrangements are in place to safeguard against future liabilities. This will be a condition of the Agreement to Lease, as a condition which will need to be met to trigger the granting of the lease.

Property/Other

22.	The project is to work in tandem with the Royal Pier developers and engineers to deliver the Memorial in conjunction with the reclamation works.
23.	The Charity will be granted a 150 year full repairing and insuring lease upon completion of the works. Prior to the granting of the lease the Council will enter into an Agreement to Lease to provide the Charity with certainty and to set terms and conditions for the grant of the lease. There will be a requirement to deliver the project within ten years.

LEGAL IMPLICATIONS

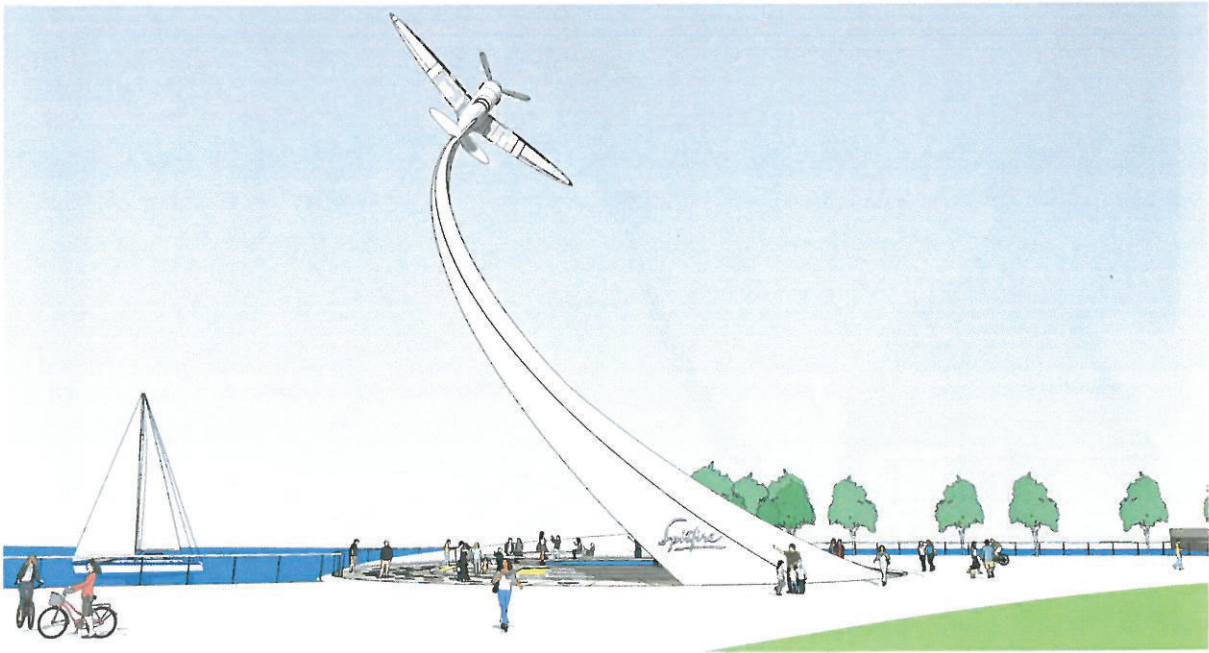
Statutory power to undertake proposals in the report:

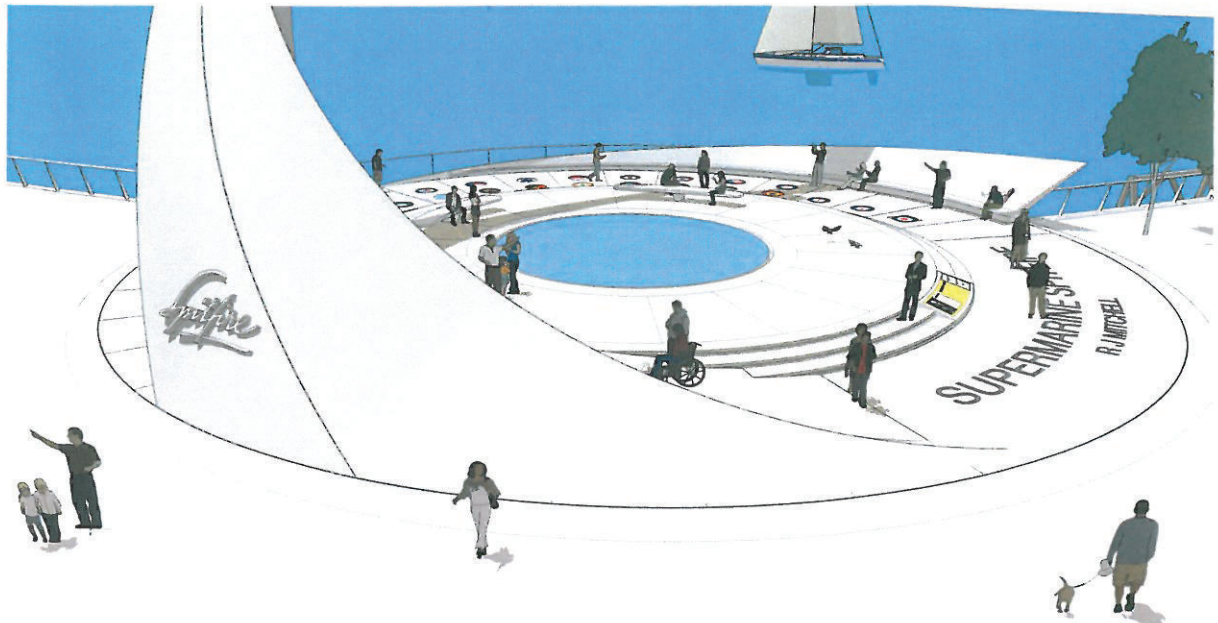
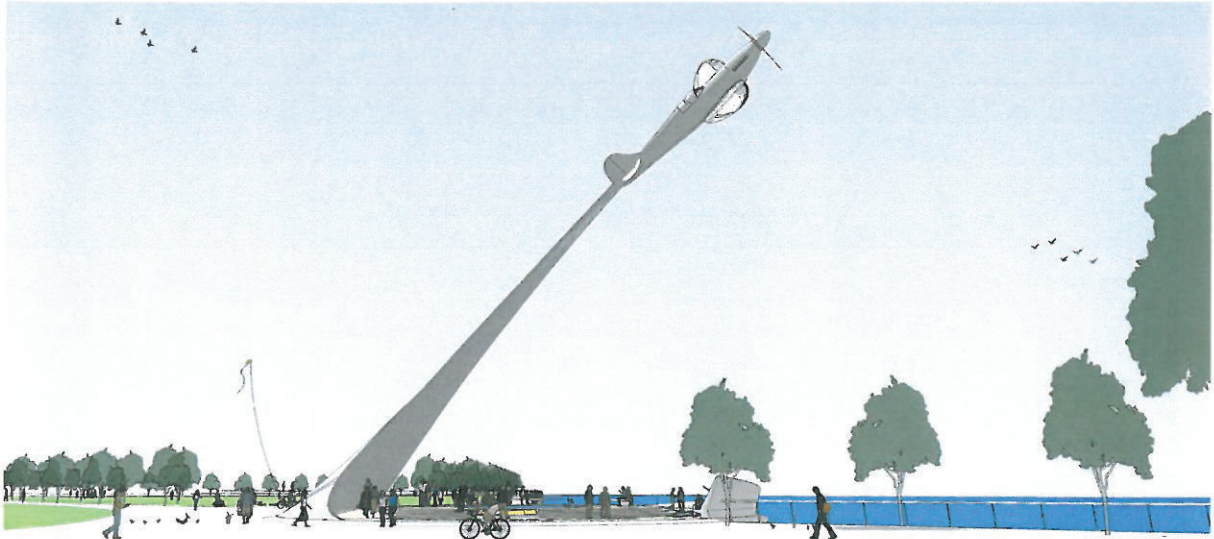
24.	The disposal of open space land is authorised by virtue of S123 (2A) Local Government Act 1972, provided the land consisting or forming part of an open space is subject to notice of the Councils intention to do so, specifying the land in question, to be advertised in two consecutive weeks in a newspaper circulating in the area in which the land is situated and consideration of any objections to the proposed disposal which may be to the Council.
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25.	The granting of the lease to the Trust will be in accordance with s123 Local Government Act 1972.
26.	The acquisition of the Crown Estate land will be in accordance with S120 Local Government Act 1972.
<u>Other Legal Implications:</u>	
27.	The installation will require the consent of the Royal Pier Developer and this will managed through the Conditional Landowner Development agreement.
28.	The installation will require the approval of Associated British Ports this will be secured through the Project team.
POLICY FRAMEWORK IMPLICATIONS	
29.	The installation accords with the City Council's Master Plan for the City Centre, in increasing access to the waterfront and enhancing Mayflower Park and the Royal Pier development.
KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	Bargate
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Planning application designs.
2.	Terms for 150 year lease
3.	Terms for the acquisition of seabed.
Documents In Members' Rooms	
1.	None.
Equality Impact Assessment	
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
Other Background Documents Equality Impact Assessment and Other Background documents available for inspection at:	
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	None

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Spitfire Memorial – Design





<p>10/24-SP-002</p>	
<p>DATE: 10/24/14</p>	<p>SCALE: 1" = 50'</p>
<p>PROJECT: SPITFIRE MONUMENT</p>	<p>MONUMENT SITE PLAN</p>
<p>CLIENT: SPITFIRE MONUMENT</p>	<p>10/24-SP-002</p>
<p>DESIGNER: [Logo]</p>	<p>PLANNING</p>
<p>DATE: 10/24/14</p>	<p>SCALE: 1" = 50'</p>
<p>PROJECT: SPITFIRE MONUMENT</p>	<p>MONUMENT SITE PLAN</p>
<p>CLIENT: SPITFIRE MONUMENT</p>	<p>10/24-SP-002</p>
<p>DESIGNER: [Logo]</p>	<p>PLANNING</p>
<p>DATE: 10/24/14</p>	<p>SCALE: 1" = 50'</p>
<p>PROJECT: SPITFIRE MONUMENT</p>	<p>MONUMENT SITE PLAN</p>
<p>CLIENT: SPITFIRE MONUMENT</p>	<p>10/24-SP-002</p>



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MAYFLOWER PARK – SPITFIRE MEMORIAL DISPOSAL OF PUBLIC OPEN SPACE

TERMS FOR THE GRANTING OF 150 YEAR LEASE

MAYFLOWER PARK

LANDLORD	Southampton City Council
TENANT:	The Spitfire Memorial Trust
TERM:	150 years
COMMENCEMENT:	From completion of the installation
RENT:	£1.00 per annum if demanded
REPAIRS AND MAINTENANCE:	Tenant to repair and maintain the structure.
INSURANCE:	Tenant to ensure
UTILITIES & OUTGOINGS:	Tenant to meet all outgoings including electricity and any rates
USE:	To be open for public recreation.
SOUTHAMPTON BOAT SHOW	To enable Southampton International Boat Show to utilise the Memorial base plinth within the shows exhibition area. Restrictions will apply and these are to be agreed, in order the Memorials integrity and Commemoration is not compromised.

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MAYFLOWER PARK – SPITFIRE MEMORIAL DISPOSAL OF PUBLIC OPEN SPACE

TERMS FOR THE ACQUISITION OF LAND (SEABED) AT PORT OF SOUTHAMPTON

VENDOR:	The Crown Estate
PURCHASER:	Southampton City Council
LAND TO BE PURCHASED	To be agreed
PURCHASE PRICE	£150.00
SOUTHAMPTON BOAT SHOW	The land will be subject to the Licence between Crown Estate and Southampton International Boat Show for the installation of the pontoons.
ALL OTHER TERMS RELATING TO TIMING TO BE AGREED.	To be agreed

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DECISION-MAKER: CABINET
SUBJECT: AUTHORITY TO SET UP A WHOLLY OWNED
DEVELOPMENT COMPANY TO DELIVER CITY WIDE
DEVELOPMENT
DATE OF DECISION: 21 APRIL 2015
REPORT OF: CABINET MEMBER FOR HOUSING AND
SUSTAINABILITY

CONTACT DETAILS

AUTHOR: Name: Barbara Compton Tel: 023 80832155
E-mail: barbara.compton@southampton.gov.uk

Director Name: Mark Heath Tel: 023 80832371
E-mail: mark.heath@southampton.gov.uk

STATEMENT OF CONFIDENTIALITY

None

BRIEF SUMMARY

The Council has a number of sites across the city, both in the city centre and surrounding areas of Council owned accommodation which have the potential to deliver more homes for the city and promote economic growth. Setting up a wholly owned Development Company (DevCo) could enable the Council to make maximum use of its assets. In addition, the Council will be able to deliver more homes of all tenure for the city. To facilitate this legal and financial work is required.

RECOMMENDATIONS:

- (i) To delegate to the Director, Place to undertake the required work to set up a wholly owned Development Company to deliver city wide development, subject to the establishment of a sound Business Plan for the company.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council has ambitious plans for developments focused on the Very Important Projects and new pipeline of projects designed to deliver the aims and objectives of the City Centre Masterplan. This will deliver more jobs, homes and employment space to drive economic growth. The city's estate regeneration programme is designed to create successful communities to ensure everyone in the city will benefit from this economic growth. The creation of a DevCo would afford the Council new opportunities. One of these will be to increase the supply of new housing across the city.
2. The recommended option has the potential to utilise lower cost public funding and make an income for the General Fund through on-lending at a higher commercial rate to the DevCo. This arrangement would help to avoid any State Aid issues.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Do nothing; this would not enable the Council to take a more proactive role in development in the city.
4. The Council could set up a Joint Venture (JV) with a partner organisation whereby the Council contributes vacant land at nil cost through a development agreement. A partner would provide all professional fees and planning costs, secure funding and manage construction. Sales income would accrue to the JV and the Housing Revenue Account (HRA) would acquire homes at a figure which leaves the JV with no costs after agreed profit is taken. This raises complex governance and control issues, e.g. voting rights, dividend arrangements, dispute resolution increasing set up and operating costs. In addition, profits on house sales would need to be shared.
5. Alternatively, the Council has a joint venture limited liability partnership (LLP) with the private sector partner, BV Strategies Facilitated Limited (BVSF). BVSF is a joint venture formed in 1997 between the Winston and William Pears Groups. BVSF approaches local authorities with whom it considers it can partner on the basis of decisions made by the investor. It is also operates in Dudley, Dorset, Southend and Bolton. This has been rejected as this would not have some of the advantages as outlined in paragraph 8.
6. The Council has an existing company which was incorporated in 1992 and has remained dormant since its incorporation. It is a company limited by guarantee and therefore has no shareholding. It has therefore been ruled out at this stage as its Articles of Association do not reflect the way the Council needs to construct the vehicle. If this company was to be used as a DevCo it will need, at least, alteration to its directors and name. External advice would be required as to whether the existing objects of the company would need to be changed and even whether a company without a shareholding is appropriate as a DevCo. As part of the options appraisal further legal advice will be sought to examine whether this company can possibly be used as the most appropriate vehicle. A primary reason for not doing so is that a new company could be created at a low cost with the name of our choice and directors of our choice. It would also have shareholding. External advice would be required to ensure the objects were appropriate for a DevCo.

DETAIL (Including consultation carried out)

7. It is proposed that the Council undertakes the necessary work to establish its own standalone DevCo using its general competence powers under the Localism Act 2011. Such a structure would be used to support a variety of developments including city-centre and estate regeneration developments. The company would be a body limited by shares. The Council would be the sole shareholder. It would need to comply with Companies House requirements, appoint a Company Secretary and at least one other director, file audited accounts and annual returns. Financial resources to do this would initially be provided via the Council who would borrow through its General Fund (for example from the Public Works Loans Board (PWLB) at a low rate) and make an income through on-lending at a higher commercial rate to the DevCo. This arrangement would help to avoid any State Aid issues. There is scope for the DevCo to attract external investment.

8. The advantages of a DevCo would be:
 - To keep profits created by any increase in house prices through inflation or betterment.
 - To keep development programmes in the Council's hands so it can be managed to mitigate risk - i.e. accelerate or slow down.
 - To have the potential to deliver other Council capital projects.
 - To have the potential to develop homes of all tenure.
 - To potentially pay a dividend to the Council which would accrue as a General Fund benefit.
 - To maximise the use of the Council's assets.
 - If used for estate regeneration to facilitate the retention of homes by the HRA and to allow maximum flexibility over when the HRA buys units, assisting with the management of HRA Business Plan borrowing levels within the Government imposed 'debt cap'.
 - To access external capital and grants.
 - To enable the Council to solely control the company and to define the aims and objectives and appointment of directors.
9. Setting up a DevCo requires work to be undertaken which is relatively straightforward including developing the Business Case and Business Plan. There is a considerable pool of expertise, which can be accessed to do this as well as setting up the funding agreement between the Council and DevCo. This includes a Financial Agreement with the Council to agree terms of borrowing which would need to be on a commercial rate to avoid being considered as State Aid.
10. The Government commissioned the Elphicke-House Report, 'From statutory provider to Housing Delivery Enabler: Review into the local authority role in housing supply' which highlighted development companies as a means of delivering more housing. There are a number of local authorities in the country who have already set up DevCos, for example:
 - The London Borough of Enfield has set up a Special Purpose Vehicle or DevCo to deliver new housing in the borough, the initial focus is on 57 homes. This is at arm's length to the Council and is funded via a loan from the Council secured via the PWLB and European Investment Bank.
 - The London Borough of Newham has set up Red Door Ventures which is a wholly owned company funded via the Council using its borrowing from the PWLB. Over the next 13 years it aims to deliver 13,000 homes in the borough.
 - South Cambridgeshire DC has set up an arm's length wholly owned company, South Cambs Limited with loan funding via the Council (funded via the PWLB). This was registered last year to allow the company to buy, build and sell properties at market prices so profits can contribute to the running of Council services.
11. It should be noted that on 20th March 2015, Brandon Lewis MP (Minister of State for Housing and Planning) provided a written statement to Parliament relevant to the Government's position on development companies. The statement reaffirmed that it is Government policy that where a local authority is developing, acquiring or retaining new social or affordable homes rent, that they should be provided using the powers available under part II of the Housing Act 1985 and that such housing should be accounted for in the

HRA. It also underlined the Government's policy commitment to Right to Buy (RTB) and clarified that it did not support DevCos owning affordable homes as a means to circumvent RTB.

12. In developing a Southampton DevCo, we will need to be cognisant of this policy position. The intention is that the only homes held by the DevCo will be full market rent, but that a proportion of homes developed by the DevCo will be purchased by the HRA and made available as affordable housing and hence also qualify for RTB. The timing of acquisitions by the HRA will form part of the DevCo business case.
13. In the event of further guidance emerging from Westminster following the General Election, this will be taken into account in terms of how a DevCo operates to ensure it continues to comply with Government guidance.
14. A further report will come forward later this year when work is completed, and this will also encompass how the DevCo can help enable estate regeneration to be delivered.

RESOURCE IMPLICATIONS

Capital/Revenue

15. One-off costs of up to £250,000 are likely to be required to undertake this work. This would cover setting up the company and project management, as well as the legal and financial advice required to establish a sound Business Plan for the DevCo. A budget will need to be established by approval of the Director, Place, with the source of funding to be identified by the Chief Financial Officer, in consultation with the Cabinet Member for Resources. The most likely funding option is a draw on General Fund revenue balances following finalisation of the outturn position for 2014/15.

Property/Other

16. None at this time.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

17. Section 1 of the Localism Act 2011 gives local authorities a "general power of competence", meaning that they have the legal capacity to do anything which an individual may do unless prohibited by law. This power may be exercised for the benefit of the local authority, its area or for persons resident or present there. The setting up of a company as a DevCo falls within that power. HRA land could be transferred to the company under Section 25 General Consent.
18. A DevCo must adhere to the general principles and requirements of company law as set out in the Companies Act 2006 and associated legislation.

Other Legal Implications:

19. None at this stage.

POLICY FRAMEWORK IMPLICATIONS

20. These proposals will help deliver the new homes (including affordable homes) required in both the Housing Strategy 2011-15 and City Centre Masterplan.

KEY DECISION? No

WARDS/COMMUNITIES AFFECTED: None

SUPPORTING DOCUMENTATION

Appendices

1. **None**

Documents In Members' Rooms

1. **None**

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out? No

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1. 20th March 2015 - Brandon Lewis MP (Minister of State for Housing and Planning at the Department for Communities and Local Government) written statement to Parliament.	

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DECISION-MAKER: CABINET
SUBJECT: ENERGY PROCUREMENT CONTRACT RENEWAL
DATE OF DECISION: 21 APRIL 2015
REPORT OF: CABINET MEMBER FOR HOUSING AND SUSTAINABILITY

CONTACT DETAILS

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STATEMENT OF CONFIDENTIALITY

None.

SUMMARY:

The Council procures in excess of £10.5 million of electricity and gas per annum covering all commercial and housing operations. All of Southampton City Council's (SCC) gas and electricity is procured by LASER Energy Buying Group as part of a 2012-2016 Flexible Energy OJEU compliant Framework. LASER procure over £350 million of energy per annum for 115 other local authorities and are a public sector Central Purchasing Body (CPB) part of Kent County Council Commercial Services.

RECOMMENDATIONS:

- (i) To enter into a rolling 2 year bi-lateral energy purchase only contract with LASER to cover the council's electricity and gas supplies through an OJEU compliant flexible framework agreement offered by Kent LASER starting October 2016 for a maximum period of 4 years.
- (ii) Delegate authority to the Chief Financial Officer to do anything necessary give effect to recommendation (i) above including, but not limited to, procuring and entering into appropriate contract arrangements.

REASONS FOR REPORT RECOMMENDATIONS:

1. As the current electricity and gas tripartite contracts will expire on 30th September 2016 this paper proposes to continue the procurement of electricity and gas through LASER from 2016 utilising the OJEU compliant framework, bilateral agreement, proposed by LASER.
2. To reduce cost risk to the Council LASER is requesting a formal decision to commit to a new contract by April 2015. SCC currently opts for the Procurement in Advance (PIA) buying option to procure all electricity and gas, which helps to reduce cost risk. As a consequence, the longer the period LASER has to purchase SCC's energy prior to September 2016 the greater the opportunity there will be to take advantage of falls in market prices.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED:

3. The Council procures another third party to individually manage energy procurement requirements. This has been rejected as this would not enable the Council to gain any benefits in terms of bulk buying leverage and additional experienced resources that would be required for this purpose.

DETAIL

4. The Kent County Council (KCC) LASER flexible procurement contract offers the aggregation of demand with which to approach the market and a volume which is attractive to providers and promotes the lowest 'cost to serve'. Kent LASER procure an estimated £350M per annum for 115 other Local Authorities.
5. SCC has procured its grid energy needs in this way since 2009. This provision of energy and procurement services by LASER in the current 2012-2016 contract has been independently benchmarked and shown to be best value by the London Energy Project.
6. It is estimated that the benefits achieved through the current LASER flexible frameworks, including through market purchases and aggregation, reduces SCC's energy spend by circa £568k per annum.
7. From October 2014 the Energy Team took on a Fully Managed Service previously provided via LASER and now deliver the energy managed service internally. This has changed the way SCC manage the corporate (non-housing) energy account. Bringing in the managed service has:
 - Reduced the external fully managed service cost by circa £55k per annum. This now covers the costs of utilising internal staff to deliver the service. Thus securing in-house expertise that delivers significant added value to SCC.
 - Set up an electronic invoice process that significantly reduces the administration and cost impact of managing and paying energy invoices.
 - Enabled the council to switch from a fee paying service to a potential fee earning service.
 - Enabled more proactive validation and energy cost saving identification
8. The LASER contract provides flexible procurement which means rather than be tied to the cost of energy at the time of the tender return, LASER buy clips of energy at the most economical time during the rise and fall in the market. This approach is proven to take advantage of market variation in order to procure at the best price. LASER has delivered under the procurement in advance option an average cost of -1.2% and -0.4% for electricity and gas purchasing respectively, less than the market benchmark price between 2011 and 2014.
9. This report recommends that the Council commits to signing a 2 year bi-lateral contract rather than signing up to a full tripartite (2016-2020) agreement as the two year forward commitment provides greater flexibility to manage changes within SCC's scope, status and assets, at a time of significant change.
10. Market liquidity (the availability of raw gas and electricity within the wholesale market) beyond the first 2-3 years is limited, therefore, a rolling two to three year buying window is sufficient to enable LASER to effectively manage price risk on a continuous basis.

11. The 2016 to 2020 LASER framework contracts have been awarded to NPower for electricity and Total Gas and Power for gas. These are our current energy suppliers and would provide continuity across the contracts and enable longer term investment opportunities such as improved metering, locally generated energy sales and invoicing arrangements.
12. LASER uses a governance process managed by representatives from its members from London Boroughs, County and District authorities. The governance panel helps to set the buying strategy and provides an audited record of each buying decision.
13. The electricity provided by NPower under the new LASER framework will enable SCC to procure renewable energy for the duration of the new frameworks through to September 2020. For the first year of supply, October 2016 – September 2017, this will also be offered at a 5% discount to the prevailing rate of the Climate Change Levy (CCL).
14. There are also a number of other additions that will benefit SCC from 2016 including Power Purchase Agreements (PPAs) and demand side management aggregation. This will enable SCC to increase the cost benefit from our installed solar photovoltaics and electrical generation capacity.
15. There are a number procurement options within the LASER framework that will enable SCC to procure energy using the most effective buying option to suit each meter consumption profile.
16. SCC has currently opted for the procurement in advance buying option to procure all electricity and gas to reduce cost risk; therefore, the longer the period LASER has to purchase SCC's energy needs prior to September 2016 the less cost risk we should experience from September 2016.
17. There will be further assessment of the purchasing strategy to ensure that the correct buying option is being used for each of our contracted energy meters. There may be differing options that would reduce our costs on average over the agreed contract term. This assessment will take place at least 6 months prior to contract start i.e. by March 2016 and will be undertaken in conjunction with the London Energy Project, LASER and our internal Finance and procurement advisors.
18. As a commodity wholesale energy prices fall and rise and are affected by many local, national and international problems or issues.
19. Almost 50% of our energy price comes from fixed and other non-energy related costs, which will see significant changes over the 2015-20 period. By being part of a central purchasing body like LASER we can mitigate or reduce the risk of price increases, and market volatility, and help to lessen some of the fixed pricing mechanisms more easily, leading to a lower delivered price.
20. Both SCC energy accounts (Corporate and Housing) will only be utilising the procurement only option (POSO) with LASER. The costs of procurement of both the corporate and housing energy accounts will be circa £36k per annum.
21. There has been a lot of speculation in the press that the reduction in oil prices are having a significant impact on energy prices in the UK; however it is worth noting that recent energy price reductions in the UK are mainly due to other factors such as mild weather and high gas storage levels and not the falling

price of oil. If the UK were to experience a significant period of cold weather, gas prices would be likely to rise sharply regardless of oil prices.

22. The fall in oil price has, however, had indirect impacts. It has resulted in a reduction of overall production costs for coal and gas, as well as reducing the costs for the fuel required to transport these products to the UK.
23. Energy markets are volatile and it is not uncommon to see prices move as much as 10% in one week. By collectively buying via a CPB, we are able to use the group energy spend to negotiate the best possible supplier energy prices and reduce delivered prices. Additionally, the nature of the energy market is such that there is a need to be a major purchaser in order to gain cost and process improvements. In this respect the Council would not be considered to be a major purchaser.
24. Alternative providers have been investigated both in the public (Crown Commercial Services (CCS)) and private sector (Bergen Energy) for the procurement of energy. The cost of procurement is £36k pa or 0.003% of the total final delivered cost of the energy. Benchmarking has identified that it could be possible to save up to £8k from that by using an alternative provider. However, no supplier offers the same level of service (CCS require a higher level of user input) or the same degree of aggregation, and any reduction in the procurement charges would be false economy if the purchase price of the energy was negatively impacted. This option has therefore been rejected as a potential saving of £8k is very low in relation to potential risk of increasing the £10.5 M per annum energy cost.

RESOURCE IMPLICATIONS

Capital/Revenue

25. As set out in the report

Property/Other:

26. There are no property implications.

LEGAL IMPLICATIONS:

Statutory power to undertake proposals in the report:

27. Section 1 of the Localism Act 2011. There is a requirement in both the Public Contracts Regulations (PCR) and the Council's Contract Procedure Rules (CPR) for the Council to comply with EU procurement regimes when procuring the supply of energy.
28. Compliance is achieved via theLASER (the Central Purchasing Body)Energy Procurement and Supply framework..
29. All the regulatory requirements on the Council to tender for the energy supply have been complied with..

Other Legal Implications:

30. None.

POLICY FRAMEWORK IMPLICATIONS

31. As set out in the report

KEY DECISION?	Yes	
WARDS/COMMUNITIES AFFECTED:	All	
<u>SUPPORTING DOCUMENTATION</u>		
Appendices		
1.	None	
Documents In Members' Rooms		
1.	Flexible Energy Frameworks 2016-2020 – Information Pack	
2.	Energy Contracts Value for Money Assessment 2011 – 2014 - LEP Executive Overview	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out?		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)	
1.	None	

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